PRELIMINARY REPORT

ON

ORDER CONSOLIDATION

NOVEMBER 1996

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Preface

The 1996 Farm Bill, signed by President Clinton on April 4, 1996, requires that existing Federal milk orders be consolidated into 10 to 14 orders within 3 years. To accomplish the requirements of the 1996 Farm Bill within the allotted time, a detailed plan of action was developed and announced in a May 1, 1996, News Release and a May 2 Memorandum to Interested Parties. Industry and public input has been and continues to be requested to assist with the development of proposed rules for order consolidation and reform.

The initial request for public input on order consolidation asked for ideas by July 1, 1996, although they are being accepted throughout the entire process. To date, approximately 150 public suggestions have been received on this and other order issues. Comments have been received on a continual basis since the initial request. Thus, at the time of submission of this preliminary report, not all comments had been reviewed. These suggestions, as well as any new ones received, will be reviewed prior to future reports.

This report was drafted by the Agricultural Marketing Service's Dairy Division. The contents of this preliminary report are suggestions and do not imply that conclusions have been made on any issue. Based on public input through October 1996, and the available data, the consolidations suggested in this report have merit at this time. The Department is open to continuous public input and may make revisions to this report as additional information becomes available.

Suggestions on this report and the presentation of any ideas regarding consolidation or any other order issues should be sent to the Dairy Division, AMS/USDA, Room 2968, South Building, P.O. Box 96456, Washington, DC 20090-6456. Suggestions and ideas are requested by February 10, 1997, although they will be accepted throughout the entire process. These suggestions, along with those previously received, will be considered in developing modifications to this preliminary report. A future report on order consolidation will be available in the spring of 1997.

Also, interested parties are specifically invited to submit comments on the probable regulatory impact of Federal order changes or modifications on small businesses. Small businesses are defined as dairy farms with gross revenue of less than $500,000 per year, and handlers with fewer than 500 employees.

Summary

As indicated on the enclosed map, ten marketing areas are suggested in the preliminary *consolidation* report. As a means of determining where interrelationships among the current marketing areas are strongest, data relating to the receipts and distribution of fluid milk products by distributing plants were gathered for all known distributing plants located in the 47 contiguous States, not including the State of California, for the month of October 1995. At this time, California is not included as a suggested order area. The 1996 Farm Bill allows for the inclusion of a California Federal milk order if California producers petition for and approve an order. If a California order were included in the suggested Federal order structure at a later time, it would encompass the entire State and would include no area outside the State of California. Although interest in a Federal order has been expressed by some California producer groups, no definite action has been taken.

An analysis of the distribution and procurement patterns of the fluid processing plants, along with other factors, was used to determine which order areas were most closely related. Proposals submitted by the public were also taken into account. The primary criteria used in determining which markets exhibit a sufficient degree of association in terms of sales, procurement, and structural relationships to warrant consolidation were:

1. Overlapping route disposition.
2. Overlapping areas of milk supply.
3. Number of handlers within a market.
4. Natural boundaries.
5. Cooperative association service areas.
6. Features common to existing orders, such as similar multiple component pricing payment plans.
7. Milk utilization in common dairy products.

The requirement to consolidate existing marketing areas does not specify expansion of regulation to previously non-Federally regulated areas where such expansion would have the effect of regulating handlers not currently regulated. However, a number of the current marketing areas enclose unregulated areas. These “pockets” are included in the suggested merged marketing areas only if their inclusion does not change the current regulatory status of a plant. In the process of consolidating marketing areas, some handlers who currently are partially regulated may become fully regulated because their sales in a combined marketing area will likely meet the pooling standards of a suggested consolidated order. Further expansion of the marketing areas, which would result in regulating additional handlers, is an issue that should be addressed by the industry. Proposals to take such action should be accompanied by supporting data, views, and arguments concerning the need and basis for any such expansion.

The 10 suggested consolidated marketing areas and the major reasons for consolidation are:

1. **NORTHEAST** - current marketing areas of the New England, New York-New Jersey, and Middle Atlantic Federal milk orders. Reasons for consolidation include the existence of overlapping sales and procurement areas between New England and New York-New Jersey and between New York-New Jersey and Middle Atlantic. The orders are also surrounded by nonfederally regulated territory. A further measure of association is evident by industry efforts to study and pursue consolidation of the three Federal orders, as well as some of the nonfederally regulated territory, prior to the 1996 Farm Bill.

2. **APPALACHIAN** - current marketing areas of the Carolina and Tennessee Valley Federal milk orders, and a portion of the Louisville-Lexington-Evansville Federal milk order. Overlapping sales and procurement areas between these marketing areas are major factors for supporting such a consolidation.

3. **FLORIDA** - current marketing areas of the Upper Florida, Tampa Bay, and Southeastern Florida Federal milk orders. Natural boundary limitations and overlapping sales and procurement areas among the three orders are major reasons for consolidation, as well as a measure of association evidenced by cooperative association proposals to consolidate these three marketing areas. Further, the cooperative associations in this area have worked together for a number of years to accommodate needed movements of milk between the three Florida Federal orders.

4. **SOUTHEAST** - current marketing area of the Southeast Federal milk order, plus 1 county from the Louisville-Lexington-Evansville Federal milk order marketing area, 15 currently unregulated Kentucky counties, and 2 currently unregulated northeast Texas counties. Major reasons for this consolidation include sales and procurement area overlaps between the Southeast order and the Kentucky and Texas counties suggested for inclusion. There is minimal sales area overlap with handlers regulated under other Federal orders.

5. **MIDEAST** - current marketing areas of the Ohio Valley, Eastern Ohio-Western Pennsylvania, Southern Michigan, and Indiana Federal milk orders, plus most of the current marketing area of the Louisville-Lexington-Evansville Federal milk order, Zone 2 of the Michigan Upper Peninsula Federal milk order, and 12 counties of the Southern Illinois-Eastern Missouri Federal milk order. Major criteria suggesting this consolidation include the overlap of fluid sales in the Ohio Valley marketing area by handlers from the other areas suggested to be consolidated. With the consolidation, most route disposition by handlers located within the suggested Mideast order would be within the marketing area. Also, nearly all milk produced within the area would be pooled under the consolidated order. The portion of the Michigan Upper Peninsula marketing area suggested to be included in the Mideast consolidated area has sales and milk procurement areas in common with the Southern Michigan area and has minimal association with the western end of the current Michigan Upper Peninsula marketing area.

6. **UPPER MIDWEST** - current marketing areas of the Chicago Regional and Upper Midwest Federal milk orders, plus Zones I and I(a) of the Michigan Upper Peninsula Federal milk order and seven unregulated or partly unregulated Wisconsin counties. Major consolidation criteria include an overlapping procurement area between the Chicago Regional and Upper Midwest orders, overlapping procurement and route disposition area between the western end of the Michigan Upper Peninsula order and the Chicago Regional order, natural boundary limitations, and the prevalence of cheese as a major manufactured product for the substantial reserve milk supplies that exceed fluid milk needs.

7. **CENTRAL** - current marketing areas of the Southern Illinois-Eastern Missouri (less 12 counties included in the suggested Mideast marketing area), Central Illinois, Greater Kansas City, Nebraska-Western Iowa (less 11 currently-regulated counties suggested to be unregulated), Eastern South Dakota, Iowa, Southwest Plains, and Eastern Colorado Federal milk orders, plus 63 currently-unregulated counties in seven of the states. Major criteria suggesting this consolidation include the overlapping procurement and route disposition between the current orders. The suggested consolidation would result in a concentration of both the sales and supplies of milk within the consolidated marketing area. The suggested consolidation would combine several relatively small orders and provide for the release of market data without revealing proprietary information. In addition, most of the producers in these areas share membership in several common cooperatives.

8. **SOUTHWEST** - current marketing areas of the Texas, New Mexico-West Texas, and Central Arizona Federal milk orders. Major criteria suggesting consolidation include sales and procurement area overlaps and common cooperative association membership between the Texas and New Mexico-West Texas marketing areas, and similar marketing concerns with respect to trade with Mexico for all three orders. In addition, there is some route disposition by Central Arizona handlers into the New Mexico-West Texas marketing area, and the Central Arizona market contains a small number of handlers.

9. **WESTERN** - current marketing areas of the Western Colorado, Southwestern Idaho-Eastern Oregon, and Great Basin Federal milk orders. Major criteria suggesting consolidation include overlapping sales between Southwestern Idaho-Eastern Oregon and Great Basin, as well as a significant overlap in procurement for the two orders in five Idaho counties. The two orders also share a similar multiple component pricing plan. The Western Colorado order is included because it is a small market where data cannot be released without revealing confidential information unless combined with the adjacent Great Basin order.

10. **PACIFIC NORTHWEST** - current marketing area of the Pacific Northwest Federal milk order plus 1 currently-unregulated county in Oregon. The degree of association with other marketing areas is insufficient to warrant consolidation.

Following is a table summarizing relevant data for the consolidated markets:

Consolidated Market Summary
(Based on October 1995 data)

Consolidated Order	Total Producer Milk	Number of Fully Regulated Distributing Plants	Combined Class I Utilization
	(1,000 lbs.)		(percent)
Northeast	1,934,833	85	46.7
Appalachian	320,198	25	82.5
Florida	200,397	18	88.3
Southeast	443,921	38	84.6
Mideast	1,140,952[1]	68	57.8
Upper Midwest	1,046,539[2]	27	34.2[4]
Central	932,929[3]	42	59.6
Southwest	861,307	31	48.3
Western	304,793	14	31.7[5]
Pacific Northwest	501,257	24	36.3
Total	7,687,126	372	

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[1] Producer milk for F.O. 44 is included. Producer milk for a F.O. 32 handler who would be pooled under the suggested Mideast market is included in the Central consolidated market.

[2] Producer milk for F.O. 30 and F.O. 68 only.

[3] Producer milk for a F.O. 32 handler that would be in the Mideast consolidated market is included.

[4] A significant amount of producer milk was not pooled in October 1995. Estimated total producer milk would result in a 15.3% combined Class I utilization.

[5] A significant amount of producer milk was not pooled in October 1995. Estimated total producer milk would result in a 21.8% combined Class I utilization.

Introduction

As required by the 1996 Farm Bill, 10 to 14 Federal milk marketing orders must be formed from those currently in existence. A map of the suggested marketing areas and a description of each of the 10 initial suggested marketing areas follows this introductory explanation of the process followed in formulating appropriate order marketing areas. In addition to the national maps showing the boundaries of the 32 present orders and the boundaries of the 10 suggested orders, each marketing area description includes a detailed map of the area, with the current order boundaries shown, and a list of counties or other political units included in the suggested area. For the convenience of the reader, a table showing current order marketing areas and their order numbers is included just after the map of current marketing areas.

At this time, California is not included as a suggested order area. The 1996 Farm Bill allows for the inclusion of a California Federal milk order if California producers petition for and approve an order. If a California order were included in the suggested Federal order structure at a later time, it would encompass the entire State and would include no area outside the State of California. Although interest in a Federal order has been expressed by some California producer groups, no definite action has been taken.

A primary criterion for determining which current marketing areas are most closely related is identifying where the greatest overlaps in route dispositions between marketing areas exist by grouping data for competing plants. For the purpose of determining significant overlaps, data relating to the receipts and distribution of fluid milk products by distributing plants was gathered for all known distributing plants located in the 47 contiguous states, not including the State of California, for the month of October 1995. The data used to arrive at suggested consolidated areas refer solely to fluid milk distributing plants and the origins of producer milk supply. Because some of the data used to determine the initial suggested boundaries of the consolidated orders is restricted to the operations of less than three handlers or producers, the raw data used for these determinations is not available for use by the public. To the extent data does not reveal proprietary information, it is included in the description of each consolidated marketing area.

In determining marketing area boundaries, no territory was added to current order marketing areas if it would have the effect of regulating any currently unregulated handlers. In a number of the current orders there are unregulated areas currently enclosed by order marketing area, and unregulated areas between order areas. These “pockets” are included in the resulting merged marketing areas only if their inclusion does not change the current regulatory status of a plant. In the process of consolidating marketing areas, however, some handlers who currently are partially regulated or unregulated will appear as pool plants in this suggested consolidation because their sales in the combined marketing areas meet the pooling standards assumed under this study. In addition, some handlers who currently are fully regulated will appear as partially regulated plants in this suggested consolidation because for some reason they fail to meet the assumed pooling standards of the consolidation study. An attempt has been made to identify the reasons for such changes in regulatory status. As the process continues, changes in the pooling standards will result in changes in the projected pooling status of such plants.

The lists of handlers that would be regulated under this initial description of suggested consolidated areas are based on a general pool distributing plant standard of 30 percent of receipts as Class I disposition and 15 percent of receipts as Class I disposition inside the suggested marketing area. These standards may (and probably will) be adjusted for the different marketing areas when the provisions of each consolidated order are formulated more completely. As a result, the lists of handlers that would be regulated under succeeding suggestions for consolidated orders may, and undoubtedly will, undergo some modification during the process of consolidating the orders.

It should be noted that distributing plants that currently are partially regulated by one or more Federal milk orders are included only in the list of handlers for the market in which they are located or to which they are closest. Such handlers are advised that any variation in pooling standards may result in changes in their regulatory status because the possibility that they distribute a percentage of their sales that meets a minimum pooling standard in a consolidated marketing area is likely to be greater than with the current smaller areas.

Criteria for Consolidation

Because of the necessity of reducing the number of Federal orders to no more than 14, the standards used to consider market mergers in the past have been reduced, sometimes quite considerably, in determining appropriate consolidations. There are instances where a minimum amount of overlapping route disposition or milk supply was used to justify consolidation, but where a particular marketing area clearly could stand on its own. These instances are noted in the descriptions of the initially-suggested consolidations. In addition, proposals submitted by the public were taken into consideration when developing suggested consolidated marketing areas. Interested persons are encouraged to supply data or other specific information supporting consolidations they favor.

The criteria identified are:

1. *Overlapping route disposition.* The movement of packaged milk between Federal orders indicates that plants from more than one Federal order are in competition with each other for Class I sales. In addition, a degree of overlap that results in the regulatory status of plants shifting between orders creates disorderly conditions in changing price relationships between competing handlers and neighboring producers.

2. *Overlapping areas of milk supply.* The location of a plant's milk supply indicates the competitive nature of the cost of the milk supply. The pooling of milk produced within the same procurement area under the same order allows for uniform pricing of producer milk.

3. *Number of handlers within a market.* Formation of larger-size markets is a stabilizing factor. Shifts of milk and/or plants between markets becomes less of a disrupting factor in larger markets. Also, the existence of Federal order markets with handlers too few in number to allow meaningful statistics to be published without disclosing proprietary information should be avoided.

4. *Natural boundaries such as mountains and deserts often affect the placement of marketing area boundaries.* Such barriers discourage movement of raw milk between areas, and generally reflect a lack of population (that limits the range of the consumption area) and lack of milk production. For the purposes of market consolidation, large unregulated areas and political boundaries are considered a type of natural barrier.

5. *Cooperative associations service areas.* While not a criterion used initially to determine marketing area, cooperative membership may be an indication of market association. Given the need to consolidate orders, cooperative membership can provide additional support for combining certain marketing areas.

6. *Features common to existing orders, such as similar multiple component pricing payment plans.* Markets that already have agreed on similar regulatory provisions may have a head start on the consolidation process. Where different payment plans exist in markets suggested for consolidation, it will be necessary to determine a common payment plan for the consolidated order.

7. *Milk utilization in common dairy products.* Utilization of milk in similar manufactured products (cheese vs. butter-powder) was considered.

The description of each marketing area also contains the following information:

- The name of the suggested consolidated order.

- The current order areas that form the core of the suggested order area, plus additional areas.

- The consolidation criteria that were most relevant in determining the appropriate markets for consolidation.

- A table (Table 1) of market information showing, for plants that would have met the assumed pooling standards during October 1995 for the suggested order area and for the affected current order areas:

    - Number of fluid milk distributing plants by type of regulation
    - Total receipts at pool distributing plants
    - Route dispositions
    - Route dispositions within the marketing area

- Information from October 1995 pool data about the individual markets suggested for consolidation:
    - Total producer milk pooled
    - Class I use percentages. For October 1995, some of the markets exhibit higher-than-customary percentages of Class I use because a significant volume of producer milk eligible for pooling was not pooled due to the difference between Class III and Class III-A prices. In general, markets that showed the largest increase from their historical level of Class I use percentage were those with lower-than-average levels of Class I use.
    - A weighted average utilization value that was computed to reflect an estimated impact of consolidation on utilization percentages only - ***it is not a blend price***. For each market, a utilization value was computed to reflect the value of producer milk under that order at the order's class use percentages and class prices. The same class prices were then used to compute a utilization value using the projected class use percentages of the consolidated marketing area.

- Two tables (Tables 2A & 2B) showing overlapping route disposition between markets, as it existed during October 1995. To the extent possible without exposing proprietary information, pounds and percentages are shown for each entry. Where pounds or percentages cannot be published without violating confidentiality, asterisks or footnotes indicate the existence of route dispositions, and the description of overlapping route disposition in the evaluation of criteria may include some general statements about data that cannot be published.
    - Table 2A shows the share of route disposition within each marketing area contributed by handlers regulated under each order proposed to be consolidated and, for some areas, by handlers regulated under nearby orders.
    - Table 2B shows the route disposition of handlers regulated under each of the orders proposed to be consolidated in their own marketing area and into adjoining and nearby areas. (For instance, almost 15 percent of fluid milk sales in the Order 4 marketing area are from Order 2 handlers, but only 8.5% of Order 2 handlers' route sales are distributed in Order 4).

- A table (Table 3) showing overlapping areas of procurement for producer milk. In some cases, the pounds of milk supplied from one state have been included in production from another state to protect restricted information. In these situations, an attempt has been made to combine the restricted information with that for the state closest to the counties from which the milk was supplied. The data in Table 3 reflects milk production *eligible for pooling* for the month of December 1995, for which production data by state and county had already been gathered. This data will not agree with December 1995 producer milk pooled for the areas under consideration because in some orders handlers chose not to pool a significant volume of milk because of unusual price relationships.

- A list of changes of the regulatory status of individual plants as a result of the suggested consolidation.

- A list of market developments that have occurred since October 1995, the period for which data was collected for the purpose of determining appropriate marketing areas, such as changes in the order under which a plant is regulated, name and ownership changes, and plants that have ceased to operate.

Federal Order Milk Marketing Areas

This version of the report is text only. Click **Federal Order Milk Marketing Areas** to view/print this graphic.

Federal Milk Marketing Orders

Number	Name	Number	Name
1	New England	49	Indiana
2	New York-New Jersey	50	Central Illinois
4	Middle Atlantic	64	Greater Kansas City
5	Carolina	65	Nebraska-Western Iowa
6	Upper Florida	68	Upper Midwest
7	Southeast	76	Eastern South Dakota
11	Tennessee Valley	79	Iowa
12	Tampa Bay	106	Southwest Plains
13	Southeastern Florida	124	Pacific Northwest
30	Chicago Regional	126	Texas
32	Southern Illinois-Eastern Missouri	131	Central Arizona
33	Ohio Valley	134	Western Colorado
36	Eastern Ohio-Western Pennsylvania	135	Southwestern Idaho-Eastern Oregon
40	Southern Michigan	137	Eastern Colorado
44	Michigan Upper Peninsula	138	New Mexico-West Texas
46	Louisville-Lexington-Evansville	139	Great Basin

SUGGESTED ORDER CONSOLIDATION

This version of the report is text only. Click **Suggested Order Consolidation** to view/print this graphic.

Suggested Northeast Marketing Area

This version of the report is text only. Click **Suggested Northeast Marketing Area** to view/print this graphic.

DATA FOR NORTHEAST MARKETING AREA

Consolidated Market:	Northeast
Current Markets:	New England, F.O. 1 New York-New Jersey, F.O 2 Middle Atlantic, F.O. 4
Plus:	2 cities in Virginia

MAJOR CONSOLIDATION CRITERIA

1) **Overlapping route disposition, see Tables 2A and 2B.**
The majority of all three Federal orders' route disposition is provided by handlers regulated under that particular order. Tables 2A and 2B indicate that F.O. 2 is a common sales area for both F.O. 1 and F.O. 4 handlers. There is no overlap in route disposition between F.O. 1 and F.O. 4. Based on overlapping route disposition, F.O. 2 serves as a base to consolidate F.O. 1, F.O. 2, and F.O. 4. In addition, several fluid milk plants have, in recent years, shifted regulation between Order 4 and Order 2, causing disorderly and nonuniform Class I and producer prices. This situation would be resolved with the consolidation of these orders.

From Table 2A, 14.9 percent of October 1995's route disposition in F.O. 4 was from handlers regulated under F.O. 2. Route disposition by F.O. 2 handlers in F.O. 1 also exists, although the percentage of sales from regulated handlers is restricted information.

From Table 2B, F.O. 2 handlers distributed 2.9 percent of their route disposition into F.O. 1 and 8.5 percent into F.O. 4.

2) **Overlapping procurement areas, see Table 3.**
The three Federal orders' procurement has a similar pattern to route disposition: commonality exists between F.O. 1 and F.O. 2 and between F.O. 2 and F.O. 4. Common procurement areas indicate that these three orders may be consolidated.

The milk supply areas for the F.O. 1 and 2 markets include 4 common states, including New York. Producer milk from New York provides F.O. 2 with 70 percent, and F.O. 1 with 27 percent, of their respective supplies of producer milk. The milk supply areas for the F.O. 2 and 4 markets also share 4 states' production, primarily that from Pennsylvania. Producer milk from Pennsylvania provides F.O. 2 with 28 percent, and F.O. 4 with 66 percent, of their milk supply. No procurement overlap exists between F.O. 1 and F.O. 4.

3) **Natural boundaries.**
The three markets are surrounded by unregulated area. Any overlap of route disposition between these three markets and any other Federal order areas is almost exclusively among the three markets, although F.O. 2 handlers did account for less than one percent of the

total route disposition in F.O. 13 (Southeastern Florida) in October 1995. The remaining route disposition for the three orders is into the unregulated areas surrounding these markets.

4) Proposals by industry and interested parties.

The merger of these three markets has been proposed and supported by interested parties inside and outside the Northeast region, including cooperative associations, processors/distributors, state governments, and Congressional members. A committee comprised chiefly of Northeast region cooperatives was formed over one year ago to study a merger of the three Federal orders. To support a Northeast consolidation, the committee and interested parties have noted overlapping sales and procurement areas, a trend toward consolidation of cooperative processors and handlers in the region (leaving the remaining handlers with larger distributing areas and volumes), and regulation of plants by an order in which they are not located. These parties indicate that consolidation would tend to solve some of the presently existing inequities and would lead to greater efficiency for handlers and order administration.

The addition of unregulated marketing areas has been both supported and opposed by interested parties. Supporters contend that disorderly marketing conditions would be improved if all handlers and producers in the region were included in this suggested Northeast marketing area. Proposals range from the addition of specific unregulated counties or states to adding all states from Maine south to the Virginia/North Carolina border and west to Ohio and the currently unregulated counties of West Virginia.

At the present time, the only currently non-Federally regulated area proposed by industry to be included in the consolidated area for which substantive data and information has been submitted is the State of Maine. That proposal continues to be considered.

Expansion of the Northeast region beyond the marketing area of Federal orders 1, 2, and 4 would have the effect of extending regulation to handlers currently not subject to Federal order regulation, a result this initial suggested consolidation attempts to avoid. Any proposals to expand regulation beyond the current boundaries should be supported by more substantive data than cited in comments received up to this point.

5) Producer affiliation.

Three cooperatives have membership in all three markets. F.O. 1 and F.O. 2 have additional cooperative membership in common, as do F.O. 2 and F.O. 4.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS	TOTAL	FO 1	FO 2	FO 4
Fully Regulated Plants	85	25	32	28
Partially Regulated Plants	21	6	5	10
Exempt Plants	1	1	0	0
Producer Handlers	46	22	9	15
Government Agency	1	0	0	1
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:				
Total Receipts at Pool Distributing Plants [1]	1,024,148	264,001	493,605	266,542
Total Route disposition [1]	874,193	226,206	430,489	217,498
Route Disposition within the Marketing Area [1]	805,752	211,325	389,538	204,889
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:				
Total Producer Milk [1,2]	1,934,833	451,855	987,059	495,919
Class I Utilization Percentage	46.71%	49.29%	42.39%	52.95%
Weighted Average Utilization Value [3]	$13.44	$13.47	$13.43	$13.44

[1] Pounds in thousands
[2] Total milk pooled under the orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of merger on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO		
		F.O. 1	**F.O. 2**	**F.O. 4**
SOURCE	**F.O. 1**	199,701	4,834	
	F.O. 2	11,290	330,593	33,789 14.9%
	F.O. 4		14,329	191,585 84.7%
	TOTAL*	R	R	226,376 100.0%

* - Total can include route disposition from FO 7, 36, 40, and 79 handlers.
R - Less than three other order plants have route disposition into the marketing area.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF
REGULATED HANDLERS

		INTO			
		F.O. 1	**F.O. 2**	**F.O. 4**	**TOTAL***
SOURCE	**F.O. 1**	199,701 92.4%	4,834 2.2%		216,155 100.0%
	F.O. 2	11,290 2.9%	330,593 83.6%	33,789 8.5%	395,682 100.0%
	F.O. 4		14,329 6.6%	191,585 87.8%	218,155 100.0%

* - Total can include route distribution into FO 13 and unregulated areas.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 1	F.O. 2	F.O. 4
CONNECTICUT	40,035	1,703	
DELAWARE		16	11,948
MAINE	30,890		
MARYLAND		2,448	103,671
MASSACHUSETTS	32,774	219	
NEW HAMPSHIRE	27,001		
NEW JERSEY		13,648	9,417
NEW YORK	123,948	695,578	
PENNSYLVANIA		278,607	340,762
RHODE ISLAND	2,541		
VERMONT	199,508	553	
VIRGINIA			40,964
WEST VIRGINIA			7,710
TOTAL	456,697	992,772	514,472

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Cumberland Dairy, Inc. Rosenhayn, NJ
Fully regulated in October 1995 because of a carry-over provision in F.O. 4.
Would be a partially regulated plant under consolidation.

Friendship Dairy Friendship, NY
Queensboro Farm Products Canastota, NY
Currently designated pool plants under F.O. 2.
Would be partially regulated under assumed consolidation pooling standards.

Camphill Village Kimberton, PA
Clifford W. & Marie B. Moyer Dublin, PA
Stump Acres Dairy Farms York, PA
Currently unregulated (did not meet minimum volume requirements).
Would meet pooling standards assumed under consolidation.

Fairdale Farms, Inc. Bennington, VT
H.P. Hood, Inc. Oneida, NY
Kreider Dairy Farms, Inc. Manheim, PA
Longacres Modern Dairy Barto, PA
Manino, Rose Frankfort, NY
Mercers Dairy Boonville, NY
Upstate Milk Cooperative, Inc. Buffalo, NY
Valley Farms, Inc. Williamsport, PA
Way Har Farms Bernville, PA
Currently partially regulated. Would meet pooling standards assumed under consolidation.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(as of September 1996 pool; information not included in analysis)

Status Changes:		Effective:
Cumberland Dairy, Inc.	Rosenhayn, NJ	
From Pool to Partially Regulated, F.O. 4		Jan. 96
Fredrick Hine	Orange, CT	
From Unregulated to Producer-Handler, F.O. 1		Apr. 96
Grants Dairy Inc	Bangor, ME	
From Unregulated to Partially Regulated, F.O. 1		Oct. 96
Richfood Dairy	Richmond, VA	
From Partially Regulated to Pool, F.O. 4		June 96
Rudolph Steiner	Ghent, NY	
From Producer-Handler to Unregulated, F.O. 2		Aug. 96
Trinity Farm	Enfield, CT	
From Unregulated to Producer-Handler, F.O. 1		March 96

Changes in Regulating Order:		Effective:
Lehigh Valley Dairies, Inc.	Lansdale, PA	
To F.O. 4 from F.O. 2		Aug. 96
Longacre's Modern Dairy	Barto, PA	
To F.O. 2 from F.O. 4		July 96
Parmalat West Dairies	Spring City, PA	
To F.O. 2 from F.O. 4		Apr. 96

Name Changes:		
Lundgren & Jonaitis Dairy Farms, Inc.		
to *Whittier Creamery Co., Inc.*		
	Shrewsbury, MA	Apr. 96

Out of Business:		
Harby, Joseph F.	Walton, NY	Jan. 96
H.P. Hood, Inc.	Charleston, MA	May 96
Hudak, Rudolph	Shelton, CT	Feb. 96
Lehigh Valley Dairies, Inc.	Fort Washington, PA	July 96
Mapledale Dairy, Inc.	Rome, NY	July 96
Mason-Dixon Farm Dairy	Gettysburg, PA	July 96
Parker, A C & Sons Inc.	Clinton, MA	Jun 96
Tuscan Dairy Farms, Inc.	Yonkers, NY	Mar. 96

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Pricing. Middle Atlantic's multiple component pricing values butterfat and nonfat milk solids components, while New England and New York-New Jersey pricing values butterfat and skim. All three orders provide for seasonal adjustments to the Class III price, but the adjustment amount differs.

Pooling. New York-New Jersey has unique pooling provisions. Middle Atlantic contains provisions allowing for pooling plants operated by a federation of cooperative associations.

Cooperative payments for marketwide services. New York-New Jersey has payments for these services while the other two Orders do not.

Location pricing provisions. New England and New York-New Jersey have zone pricing, while Middle Atlantic has a direct delivery differential. Under the New York-New Jersey order Class II, III and III-A prices are adjusted for location.

Time when milk is considered a receipt. Milk is considered a receipt when picked up at the farm under the New York-New Jersey and New England orders, while the Middle Atlantic order considers milk received only when it is received in a plant.

Trade. New England and New York-New Jersey may have issues regarding international trade with Canada.

List of Plants and Regulatory Status

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	NORTHEAST STATUS[1]
ARRUDA, GEORGIANNA (ESTATE OF)	TIVERTON	RI	New England	4	4
BANGMA, LEONARD & DONALD	UXBRIDGE	MA	New England	4	4
BECHTEL DAIRIES, INC.	ROYERSFORD	PA	Mid Atlantic	1	1
BOICE BROS. DAIRY, INC.	KINGSTON	NY	NY-NJ	1	1
BOOTH BROTHERS DAIRY, INC.	BARRE	VT	New England	2	2
BRIGGS, ROBERT A.	WEST MEDWAY	MA	New England	4	4
BROOKSIDE DAIRY	FITCHBURG	MA	New England	4	4
BYRNE DAIRY, INC.	SYRACUSE	NY	NY-NJ	1	1
CAMPHILL VILLAGE	KIMBERTON	PA	Mid Atlantic	5	1
CHRISTIANSEN DAIRY CO., INC.	NO. PROVIDENCE	RI	New England	1	1
CHROME DAIRY FARMS	OXFORD	PA	Mid Atlantic	1	1
CIENIEWICZ, JOSEPH	BERLIN	CT	New England	4	4
CLIFFORD W. & MARIE B. MOYER	DUBLIN	PA	Mid Atlantic	5	1
CLINTON MILK CO.	NEWARK	NJ	NY-NJ	1	1
CLOVER FARMS DAIRY	READING	PA	NY-NJ	1	1
CLOVERLAND/ GREEN SPRING DAIRY	BALTIMORE	MD	Mid Atlantic	1	1
CLOVERLAND/ GREEN SPRING DAIRY	BALTIMORE	MD	Mid Atlantic	1	1
COOPER'S HILLTOP DAIRY FARM	ROCHDALE	MA	New England	4	4
CRESCENT RIDGE DAIRY, INC.	SHARON	MA	New England	4	4
CROWLEY FOODS, INC.	BINGHAMTON	NY	NY-NJ	1	1
CROWLEY FOODS, INC.	ALBANY	NY	NY-NJ	1	1
CROWLEY FOODS, INC.	CONCORD	NH	New England	1	1
CUMBERLAND DAIRY, INC.	ROSENHAYN	NJ	Mid Atlantic	1	2
CUMBERLAND FARMS, INC.	EAST GREENBUSH	NY	NY-NJ	1	1
CUMBERLAND FARMS, INC.	CANTON	MA	New England	1	1
CUMBERLAND FARMS, INC.	FLORENCE	NJ	Mid Atlantic	1	1
DAIRY MAID DAIRY	FREDERICK	MD	Mid Atlantic	1	1
DAVID F. ARMSTRONG	WHITESBORO	NY	NY-NJ	1	1
DELLWOOD FOODS, INC.	YONKERS	NY	NY-NJ	1	1
DUNAJSKI DAIRY, INC.	PEABODY	MA	New England	4	4
DUTCH VALLEY FOOD CO., INC.	SUNBURY	PA	Mid Atlantic	1	1
DUTCH WAY FARM MARKET	MYERSTOWN	PA	Mid Atlantic	4	4
EDWARDS, CHARLES A.	GLOVERSVILLE	NY	NY-NJ	4	4

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	NORTHEAST STATUS[1]
ELMHURST	JAMAICA	NY	NY-NJ	1	1
EMBASSY DAIRY, INC.	WALDORF	MD	Mid Atlantic	1	1
EMMONS WILLOW BROOK FARM, INC.	PEMBERTON	NJ	Mid Atlantic	4	4
FAIRDALE FARMS, INC.	BENNINGTON	VT	New England	2	1
FARMLAND DAIRIES, INC. &/OR FAIRDALE MILK	WALLINGTON	NJ	NY-NJ	1	1
FISH FAMILY FARM, INC.	BOLTON	CT	New England	4	4
FREDDY HILL FARM DAIRY	LANSDALE	PA	Mid Atlantic	4	4
FREDRICK HINE	ORANGE	CT	New England	4	4
FRIENDSHIP DAIRY	FRIENDSHIP	NY	NY-NJ	1	2
GARELICK FARMS, INC.	FRANKLIN	MA	New England	1	1
GIANT FOOD, INC.	WASHINGTON	DC	Mid Atlantic	1	1
GRATERFORD STATE	GRATERFORD	PA	Mid Atlantic	6	6
GUERS DY., INC.	POTTSVILLE	PA	Mid Atlantic	2	2
GUIDA-SEIBERT DAIRY CO.	NEW BRITAIN	CT	New England	1	1
HALO FARM, INC.	TRENTON	NJ	Mid Atlantic	1	1
HARBY, JOSEPH F.	WALTON	NY	NY-NJ	1	1
HARRISBURG DAIRIES	HARRISBURG	PA	Mid Atlantic	1	1
HERITAGE'S DAIRY, INC.	THOROFARE	NJ	Mid Atlantic	1	1
HERMANY FARMS, INC.	BRONX	NY	NY-NJ	1	1
HILLCREST DAIRY, INC.	FLEMING	NY	NY-NJ	4	4
HOGAN, FRANCIS J. & LEONARD P.	HUDSON FALLS	NY	NY-NJ	4	4
HOWARD HATCH	N. HAVERHILL	NH	New England	1	1
HUDAK, RUDOLPH	SHELTON	CT	New England	4	4
HY-POINT DAIRY FARMS, INC.	WILMINGTON	DE	Mid Atlantic	1	1
H.E.A., INC.	CRANSTON	RI	New England	1	1
H.P. HOOD, INC.	NEWINGTON	CT	New England	2	2
H.P. HOOD, INC.	PORTLAND	ME	New England	1	1
H.P. HOOD, INC.	AGAWAM	MA	New England	1	1
H.P. HOOD, INC.	CHARLESTON	MA	New England	1	1
H.P. HOOD, INC.	BURLINGTON	VT	New England	2	2
H.P. HOOD, INC.	ONEIDA	NY	NY-NJ	2	1
KEMPS FOODS, INC.	LANCASTER	PA	Mid Atlantic	1	1
KOLB'S FARM STORE	SPRING CITY	PA	Mid Atlantic	4	4
KREIDER DAIRY FARMS, INC.	MANHEIM	PA	NY-NJ	2	1
KRISCO FARMS, INC.	CAMPBELL HALL	NY	NY-NJ	4	4
LAND-O-SUN DAIRIES, INC.	PORTSMOUTH	VA	Mid Atlantic	2	2

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	NORTHEAST STATUS[1]
LAPP VALLEY FARM	NEW HOLLAND	PA	Mid Atlantic	4	4
LEHIGH VALLEY DAIRIES, INC.	FORT WASHINGTON	PA	Mid Atlantic	1	1
LEHIGH VALLEY DAIRIES, INC.	LANSDALE	PA	NY-NJ	1	1
LEHIGH VALLEY DAIRIES, INC.	SCHUYKILL HAVEN	PA	NY-NJ	2	2
LEWES DAIRY, INC.	LEWES	DE	Mid Atlantic	1	1
LEWIS COUNTY DAIRY CORP.	LOWSVILLE	NY	NY-NJ	1	1
LONGACRE'S MODERN DAIRY	BARTO	PA	Mid Atlantic	2	1
LUNDGREN & JONAITIS DAIRY FARMS, INC.	SHREWSBURY	MA	New England	1	1
MANINO, ROSE	FRANKFORT	NY	NY-NJ	2	1
MAPLE HILL FARMS, INC.	BLOOMFIELD	CT	New England	1	1
MAPLEDALE DAIRY, INC.	ROME	NY	NY-NJ	1	1
MAPLEHOFE DAIRY, INC.	QUARRYVILLE	PA	Mid Atlantic	4	4
MARCUS DAIRY, INC.	DANBURY	CT	NY-NJ	1	1
MARVA MAID DAIRY	NEWPORT NEWS	VA	Mid Atlantic	2	2
MASON-DIXON FARM DAIRY	GETTYSBURG	PA	Mid Atlantic	1	1
MEADOW BROOK FARMS, INC.	POTTSTOWN	PA	Mid Atlantic	1	1
MERCERS DAIRY, INC.	BOONVILLE	NY	NY-NJ	2	1
MERRYMEAD FARM	LANSDALE	PA	Mid Atlantic	4	4
MOHAWK DAIRY (Z & R CORP.)	AMSTERDAM	NY	NY-NJ	1	1
MOUNT WACHUSETT DAIRY, INC.	W BOYLSTON	MA	New England	1	1
MOUNTAINSIDE FARMS, INC.	ROXBURY	NY	NY-NJ	1	1
MUNROE, A B DAIRY, INC.	EAST PROVIDENCE	RI	New England	1	1
NEW ENGLAND DAIRIES, INC.	HARTFORD	CT	New England	1	1
NICASTRO, JOSEPH & CROSS	FRANKFORT	NY	NY-NJ	4	4
OAK TREE FARM DAIRY, INC.	EAST NORTHPORT	NY	NY-NJ	1	1
OAKHURST DAIRY	PORTLAND	ME	New England	2	2
OREGON DAIRY FARM MKT.	LITITZ	PA	Mid Atlantic	4	4
PARKER, A C & SONS, INC.	CLINTON	MA	New England	1	1
PARMALAT WEST DAIRIES, INC.	SPRING CITY	PA	Mid Atlantic	2	2
PATRICK MCNAMARA	WEST LEBANON	NH	New England	4	4
PEACEFUL MEADOWS ICE CREAM, INC.	WHITMAN	MA	New England	4	4
PEARSON, ROBERT L.	WEST MILLBURY	MA	New England	4	4
PEDRO, JOSEPH	FALL RIVER	MA	New England	4	4
PENNVIEW FARMS	PERKASIE	PA	Mid Atlantic	4	4
PERRYDELL FARMS	YORK	PA	Mid Atlantic	4	4
PETER FLINT	CHELSEA	VT	New England	1	1

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	NORTHEAST STATUS[1]
PINE VIEW ACRES	LANCASTER	PA	Mid Atlantic	4	4
PIONEER DAIRY, INC.	SOUTHWICK	MA	New England	1	1
PLEASANT VIEW FARMS DAIRY	ST THOMAS	PA	Mid Atlantic	4	4
POTOMAC FARMS DAIRY, INC.	CUMBERLAND	MD	Mid Atlantic	2	2
PULEO'S DAIRY	SALEM	MA	New England	1	1
QUEENSBORO FARM PRODUCTS, INC.	CANASTOTA	NY	NY-NJ	1	2
READINGTON FARMS, INC.	WHITEHOUSE	NJ	NY-NJ	1	1
READY FOODS, INC.	PHILA	PA	Mid Atlantic	2	2
RICHARDSON FARMS, INC.	MIDDLETON	MA	New England	4	4
RICHARDSONS G. H. DAIRY	DRACUT	MA	New England	3	3
RICHFOOD DAIRY	RICHMOND	VA	Mid Atlantic	2	2
RIDGE VIEW DAIRY	ELIZABETHTOWN	PA	Mid Atlantic	4	4
RITCHEYS DAIRY	MARTINSBURG	PA	Mid Atlantic	2	2
RONNYBROOK FARM DAIRY, INC.	ANCRAMDALE	NY	NY-NJ	4	4
ROSENBERGERS DAIRY, INC.	HATFIELD	PA	Mid Atlantic	1	1
RUDOLPH STEINER	GHENT	NY	NY-NJ	4	2
RUSSELL SEARS	CUMMINGTON	MA	New England	4	4
RUTTER BROS. DAIRY	YORK	PA	Mid Atlantic	1	1
SALEM VALLEY FARMS, INC.	SALEM	CT	New England	4	4
SARATOGA DAIRY, INC.	SARATOGA SPRINGS	NY	NY-NJ	1	1
SEWARD DAIRY, INC.	RUTLAND	VT	New England	2	2
SHAW FARM DAIRY, INC.	DRACUT	MA	New England	4	4
SHENANDOAH'S PRIDE DAIRY	SPRINGFIELD	VA	Mid Atlantic	1	1
STEARNS, WILLARD J. & SONS, INC.	STORRS	CT	New England	4	4
STEWART J. LEONARD	NORWALK	CT	New England	1	1
STOP & SHOP COMPANIES, INC.	READVILLE	MA	New England	1	1
STUMP ACRES DAIRY FARMS	YORK	PA	Mid Atlantic	5	1
SULOMAN'S MILK	GILBERTSVILLE	PA	Mid Atlantic	4	4
SUNNYDALE FARMS	BROOKLYN	NY	NY-NJ	1	1
SYNAKOWSKI WALTER J	REMSEN	NY	NY-NJ	4	4
TANNER BROS. DAIRY	WARMINSTER	PA	Mid Atlantic	4	4
THOMAS, ORIN & SONS, INC.	RUTLAND	VT	New England	2	2
TURKEY HILL DAIRY, INC.	CONESTOGA	PA	Mid Atlantic	1	1
TURNER'S DAIRY, INC.	SALEM	NH	New England	1	1
TUSCAN DAIRY FARMS, INC.	UNION	NJ	NY-NJ	1	1
TUSCAN DAIRY FARMS, INC.	FRASER	NY	NY-NJ	2	2

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	NORTHEAST STATUS[1]
UPSTATE MILK COOPERATIVES, INC.	ROCHESTER	NY	NY-NJ	2	2
UPSTATE MILK COOPERATIVES, INC.	BUFFALO	NY	NY-NJ	2	1
VALLEY FARMS, INC.	WILLIAMSPORT	PA	NY-NJ	2	1
VALLEY OF VIRGINIA COOP.	MT. CRAWFORD	VA	Mid Atlantic	2	2
VAN WIE, CHARLES F.	CLARKSVILLE	NY	NY-NJ	4	4
WAWA DAIRY FARMS	WAWA	PA	Mid Atlantic	1	1
WAY-HAR FARMS	BERNVILLE	PA	NY-NJ	2	1
WELSH FARMS, INC.	LONG VALLEY	NJ	NY-NJ	1	1
WENGERTS DAIRY	LEBANON	PA	Mid Atlantic	1	1
WEST LYNN CREAMERY, INC.	LYNN	MA	New England	1	1
WILLIAM WALSH	SIMSBURY	CT	New England	4	4
WINSOR, S. B. DAIRY, INC.	JOHNSTON	RI	New England	1	1
WRIGHT'S DAIRY FARM, INC.	NORTH SMITHFIELD	RI	New England	4	4

[1]**DISTRIBUTING PLANT STATUS:**

1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

NORTHEAST MARKETING AREA - 143 counties

All counties and cities in suggested area currently are in the New England, New York-New Jersey, or Middle Atlantic marketing areas. No new territory is added under this consolidation.

Connecticut - 8 counties (All currently Order 1)

All counties.

Delaware - 3 counties (All currently Order 4)

All counties.

District of Columbia - 1 (Currently Order 4)

Maryland - 21 counties and the City of Baltimore (All currently Order 4)

Counties of Anne Arundel, Baltimore, Calvert, Caroline, Carroll, Cecil, Charles, Dorchester, Frederick, Harford, Howard, Kent, Montgomery, Prince Georges, Queen Annes, Somerset, St. Marys, Talbot, Washington, Wicomico, Worcester.

City of Baltimore.

Massachussetts - 11 counties (All currently Order 1)

Counties of Barnstable, Bristol, Essex, Franklin (except the towns of New Salem, Orange, and Warwick), Hampden (except the towns of Brimfield, Monson, Palmer, and Wales), Hampshire (except the town of Ware), Middlesex, Norfolk, Plymouth, Suffolk, Worcester (except the towns of Athol, Barre, Douglas, East Brookfield, Hardwick, New Braintree, North Brookfield, Northbridge, Petersham, Philipston, Royalston, Templeton,Uxbridge, Warren, West Brookfield, and Winchendon).

New Hampshire - 8 counties (All currently Order 1)

Counties of Belknap, Cheshire, Grafton (the towns of Ashland, Bridgewater, Bristol, Holderness, and Plymouth only), Hillsborough, Merrimack, Rockingham, Strafford, Sullivan (except the town of Plainfield).

New Jersey - 21 counties (All currently Order 2 or Order 4)

All counties.

New York - 38 counties and New York City (All currently Order 2)

Counties of Albany, Broome, Cayuga (except the townships of Sterling, Victory, Conquest, and Montezuma), Chemung, Chenango, Columbia, Cortland, Delaware, Dutchess, Essex (Schroon, Ticonderoga, Crown Point, and Moriah townships only), Fulton (except the township of Stratford), Greene, Herkimer (except the townships of Webb, Ohio, and Salisbury), Madison, Montgomery, Nassau, New York (including all of the territory within the boundaries of the city of New York), Oneida (except the townships of Ava, Boonville, Forestport, and Florence), Onondaga, Orange, Oswego (except the townships of Redfield and Boylston), Otsego, Putnam, Rensselaer, Rockland, Saratoga (except the townships of Day, Edinburg, and Providence), Schenectady, Schoharie, Schuyler, Steuben (Addison, Corning, and Erwin townships only), Suffolk (except Fisher's Island), Sullivan, Tioga, Tompkins, Ulster, Warren (except the townships of Johnsburg, Thurman, and Stony Creek), Washington, Westchester, Yates (except the townships of Italy, Middlesex, and Potter).

Pennsylvania - 15 counties (All currently Order 4)

Counties of Adams, Bucks, Chester, Cumberland, Dauphin, Delaware, Franklin, Fulton, Juniata, Lancaster, Lebanon, Montgomery, Perry, Philadelphia, York.

Rhode Island - 5 counties (All currently Order 1, with addition of New Shoreham)

All counties.

Vermont - 3 counties (All currently Order 1)

Counties of Bennington (the towns of Landgrove, Peru, and Winhall only), Windham (except Somerset), Windsor (the towns of Andover, Baltimore, Cavendish, Chester, Ludlow, Plymouth, Reading, Springfield, Weathersfield, Weston, West Windsor, and Windsor only).

Virginia - 4 counties and 3 cities (All currently Order 4; with addition of the cities of Manassas and Manassas Park)

Counties of Arlington, Fairfax, Loudoun, Prince William.

Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park.

Suggested Appalachian Marketing Area

This version of the report is text only. Click **Suggested Appalachian Marketing Area** to view/print this graphic.

DATA FOR APPALACHIAN MARKETING AREA

Consolidated Market:	Appalachian
Current Markets:	Carolina, F.O.5
	Tennessee Valley, F.O. 11
Plus:	Nine F.O. 46 Counties

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.
Data collected for October 1995 did not reflect the subsequent addition of one F.O. 46 county and six then-unregulated Kentucky counties to the F.O. 11 marketing area. Addition of this area likely would have increased the amount of route disposition by F.O. 5 handlers in the F.O. 11 marketing area. Two F.O. 11-regulated handlers were located in the Kentucky counties added to the F.O. 11 marketing area in early 1996. Of the route dispositions shown as distributed into the eastern Kentucky counties that were added to the F.O. 11 marketing area in 1996, two-thirds are distributed by F.O. 11 handlers.

From Table 2A, almost 7 percent of the total route disposition within the F.O. 5 marketing area is supplied by F.O. 11 handlers, while F.O. 5 handlers account for 5.4 percent of the total route disposition within the F.O. 11 marketing area. More of the route disposition in both of these order areas is supplied by handlers regulated under the other order than is distributed by handlers regulated under any other order.

From Table 2B, while only about 2 percent of route disposition by F.O. 5 handlers is distributed in the F.O. 11 marketing area, disposition by F.O. 11 handlers in the F.O. 5 marketing area accounted for 11.3% of F.O. 11 handlers' route dispositions. In addition, 80 percent of the sales by F.O. 11 handlers into other F.O. areas and areas unregulated in October 1995 are sold into the Kentucky counties suggested as part of the consolidated Appalachian marketing area.

2) Overlapping procurement areas, see Table 3.
There are five states from which both F.O. 5 and F.O. 11 receive producer milk. These five states provide over 75 percent of the total producer milk pooled on the two markets. Production from each of the additional 9 Kentucky counties that would be incorporated into the Appalachian marketing area was either pooled entirely or predominately under F.O. 11. Of the 28.5 million pounds of producer milk in these counties, 88 percent was pooled in F.O. 11. for December 1995.

3) Proposals by industry.
A number of handlers and producer groups proposed consolidating the marketing areas of F.O.s 5, 11 and 46, with some advocating the consolidation of these 3 orders with the F.O. 7 marketing area and a couple of comments proposing that the 3 Florida orders be incorporated, as well. Those who provided a basis for their recommendations cited overlapping route sales and producer milk supply areas.

4) **Producer affiliation is another criteria that fits these markets.**
The two cooperatives common to both F.O. 5 and F.O. 11 market 67 percent of the total producer milk pooled on the combined markets. One of these cooperatives also has producers in the F.O. 46 marketing area.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS	**TOTAL**	**FO 5**	**FO 11**
Fully Regulated Plants	25	17	8
Government Agency	1	1	
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:			
Total Receipts at Pool Distributing Plants [1]	321,479	207,047	114,432
Total Route disposition [1]	270,442	175,001	95,441
Route Disposition within the Marketing Area [1]	209,079	143,673	65,406
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:			
Total Producer Milk [1,2]	320,198	207,898	112,300
Class I Utilization Percentage	82.50%	83.51%	80.63%
Weighted Average Utilization Value [3]	$14.11	$14.22	$13.92

[1] Pounds in thousands
[2] Total milk pooled under the orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of merger on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO	
		F.O. 5	**F.O. 11**
SOURCE	**F.O. 5**	140,334	3,339
		89.0%	5.4%
	F.O. 11	10,770	54,636
		6.8%	87.9%
	TOTAL*	157,726	62,167
		100.0%	100.0%

* - Total can include route disposition from FO 7, 33, 40, and 46 handlers.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF
REGULATED HANDLERS

		INTO			
		F.O. 5	**F.O. 11**	**UNREG**	**TOTAL***
SOURCE	**F.O. 5**	140,334	3,339	12,464	175,001
		80.2%	1.9%	7.1%	100.0%
	F.O. 11	10,770	54,636	7,147	95,441
		11.3%	57.2%	7.5%	100.0%

* Total can include route distribution into FO 7, 33, 36, and 46 marketing areas.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 5	F.O. 11
GEORGIA	21,030	1,046
KENTUCKY		42,112
MARYLAND	234	
MISSISSIPPI		637
MISSOURI	3,130	94
NORTH CAROLINA	99,612	*
PENNSYLVANIA	1,626	
SOUTH CAROLINA	29,001	
TENNESSEE	7,333	55,126
VIRGINIA	51,617	16,725
WEST VIRGINIA		300
TOTAL	213,583	116,041

* Less than three producers, data included in Tennessee production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

No plant would change regulatory status.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(As of September 1996 pool; information not included in analysis).

Status Changes: Effective:

Jackson Dairy Dunn, NC

From Pool October and November 1995 and September 1996 to Producer-handler all other months

Changes in Regulating Order:

Superbrand Dairy, Inc. Greenville, SC Feb. 96

From F.O. 7 to F.O. 5 because of Order 5 lock-in provision.

Out of Business:

Pine State Creamery Co. Raleigh, NC June 96

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Pricing/pooling. May need special provisions to attract needed supplies of milk during deficit production season.

Reconcile pooling standards.

Whether necessary to retain lock-in pooling provisions currently in FOs 5 and 11.

LIST OF PLANTS AND REGULATORY STATUS

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	APPALACHIAN STATUS[1]
BROADACRE DAIRIES	POWELL	TN	Tenn Valley	1	1
CAROLINA DAIRIES	KINSTON	NC	Carolina	1	1
COBURG DAIRY, INC.	N. CHARLESTON	SC	Carolina	1	1
DAIRY FRESH, LP.	WINSTON-SALEM	NC	Carolina	1	1
FLAV-O-RICH, INC.	WILKESBORO	NC	Carolina	1	1
FLAV-O-RICH, INC.	LONDON	KY	Tenn Valley	1	1
FLAV-O-RICH, INC.	BRISTOL	VA	TennValley	1	1
FLAV-O-RICH, INC.	FLORENCE	SC	Carolina	1	1
FLAV-O-RICH, INC.	GOLDSBORO	NC	Carolina	1	1
GOLDEN GALLON, INC.	CHATTANOOGA	TN	Tenn Valley	1	1
HUNTER FARMS	HIGHPOINT	NC	Carolina	1	1
HUNTER FARMS	CHARLOTTE	NC	Carolina	1	1
JACKSON DAIRY	DUNN	NC	Carolina	1	1
JERSEY RIDGE DAIRY, INC.	KNOXVILLE	TN	Tenn Valley	1	1
LAND-O-SUN DAIRIES, INC.	KINGSPORT	TN	Tenn Valley	1	1
LAND-O-SUN DAIRIES, INC.	SPARTANBURG	SC	Carolina	1	1
MAOLA MILK & ICE CREAM CO. INC	NEW BERN	NC	Carolina	1	1
MAYFIELD DAIRY FARMS, INC.	ATHENS	TN	TennValley	1	1
MILKCO, INC.	ASHEVILLE	NC	Carolina	1	1
NORTH CAROLINA ST. UNIV. DAIRY	RALEIGH	NC	Carolina	6	6
PEELER JERSEY FARMS, INC.	GAFFNEY	SC	Carolina	1	1
PINE STATE CREAMERY CO.	RALEIGH	NC	Carolina	1	1
REGIS MILK CO.	CHARLESTON	SC	Carolina	1	1
SOUTHERN BELLE DAIRY, INC.	SOMERSET	KY	Tenn Valley	1	1
SUPERBRAND DAIRY, INC.	HIGHPOINT	NC	Carolina	1	1
WESTOVER DAIRIES	LYNCHBURG	VA	Carolina	1	1

[1]**DISTRIBUTING PLANT STATUS:**

1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

APPALACHIAN MARKETING AREA - 223 counties

Georgia - 7 counties (All currently in F.O. 11)
Counties of Catoosa, Chattooga, Dade, Fannin, Murray, Walker, Whitfield.

Kentucky - 25 counties (9 currently in F.O. 46 and *16 currently in F.O. 11*)
Counties of Adair, *Bell*, *Breathitt*, Casey, *Clay*, Clinton, Cumberland, Green, *Harlan*, *Jackson*, *Knott*, *Knox*, *Laurel*, *Leslie*, *Letcher*, Lincoln, *McCreary*, *Owsley*, *Perry*, *Pulaski*, *Rockcastle*, Russell, Taylor, Wayne, *Whitley*.

North Carolina - 100 counties (All currently in F.O. 5)
All counties.

South Carolina - 46 counties (All currently in F.O. 5)
All counties.

Tennessee - 33 counties (All currently in F.O. 11)
Counties of Anderson, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Cumberland, Grainger, Greene, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicol, Union, Washington.

Virginia - 10 cities and counties (All currently in F.O. 11)
Counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, Washington, Wise.
Cities of Bristol, Norton.

West Virginia - 2 counties (Both currently in F.O. 11)
Counties of McDowell, Mercer.

Suggested Florida Marketing Area

This version of the report is text only. Click **Suggested Florida Marketing Area** to view/print this graphic.

DATA FOR FLORIDA MARKETING AREA

Consolidated Market:	Florida
Current Markets:	Upper Florida, F.O. 6 Tampa Bay, F.O. 12 Southeastern Florida, F.O. 13

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.

From Table 2A, over 90 percent of route dispositions within the consolidated Florida marketing area are from plants that would be pooled under the consolidated order. Eighty percent of route disposition in the F.O. 6 marketing area is from the Florida markets, with route disposition from F.O. 12 accounting for over 32 percent of the total route disposition in F.O. 6. F.O. 6 accounts for 20 percent of the route disposition in F.O. 12's marketing area, while over 5 percent comes from F.O. 13.

From Table 2B, over 95 percent of Florida handlers' route disposition is within the three Florida marketing areas. Handlers regulated under F.O.s 6 and 12 distribute less than 1 percent of their route disposition in F.O. 13, and F.O. 13 handlers distribute less than 6 percent of their total route sales in the F.O. 6 and 12 areas. However, F.O. 6 handlers and F.O. 12 handlers each distribute approximately 30 percent of their route dispositions in the other's marketing area.

2) Overlapping procurement areas, see Table 3.

The State of Florida is the primary supply area for all 3 of the Florida orders, accounting for over 93% of F.O. 6 production and over 99% of F.O. 13 production. Georgia is the second-most important supply area for these markets, supplying almost 30 percent of F.O. 12 producer milk in December 1995. F.O. 6 procures 93.5 percent of its producer milk from within its marketing area. F.O. 12 has overlapping procurement areas with both F.O. 6 and F.O. 7. F.O. 13 gets 40 percent of its producer milk from outside its marketing area. Of this 40 percent, less than 1 percent comes from out of state.

3) Natural boundaries.

The geographic configuration of Florida lends itself to one marketing area. Being surrounded by water on three sides limits the movement of both packaged and bulk milk. Route disposition from outside Florida declines from the F.O. 6 marketing area southward.

4) Proposals by industry.

Most of the consolidation proposals dealing with the Florida markets advocated combining the 3 order areas because of their common distribution and supply areas. Two proposals urged that Florida be combined with the F.O. 7, 5, 11 and 46 areas on the basis of some common distribution area.

5) Producer affiliation is another criteria that fits these markets.
One cooperative is common to all three markets, accounting for 60 percent of the producer milk in the Florida markets. Another cooperative operates in both F.O. 12 and F.O. 13.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL**	**FO 6**	**FO 12**	**FO 13**
Fully Regulated Plants	18	5	7	6
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:				
Total Receipts at Pool Distributing Plants [1]	242,822	66,521	87,298	89,003
Total Route disposition [1]	211,223	53,529	76,281	81,413
Route Disposition within the Marketing Area [1]	205,385	49,026	75,258	81,101
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:				
Total Producer Milk [1,2]	200,397	53,506	83,390	63,501
Class I Utilization Percentage	88.33%	85.11%	89.54%	91.28%
Weighted Average Utilization Value [3]	$15.05	$14.67	$15.09	$15.42

[1] Pounds in thousands
[2] Total milk pooled under the orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of merger on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO		
		F.O. 6	**F.O. 12**	**F.O. 13**
	F.O. 6	33,633	14,922	**
		45.8%	20.4%	
S				
O	**F.O. 12**	23,872	50,720	666
U		32.5%	69.3%	0.9%
R				
C	**F.O. 13**	**	4,034	76,507
E			5.5%	98.2%
	TOTAL*	73,474	73,219	77,930
		100.0%	100.0%	100.0%

* Total can include route disposition from FO 1, 7, 40, and 139 handlers.
** Less than three plants, data included in Total.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF
REGULATED HANDLERS

		INTO			
		F.O. 6	**F.O. 12**	**F.O. 13**	**TOTAL***
	F.O. 6	33,633	14,739	**	52,125
S		64.5%	28.3%		100.0%
O					
U	**F.O. 12**	23,872	50,720	666	76,282
R		31.3%	66.5%	0.9%	100.0%
C					
E	**F.O. 13**	R	4,034	76,507	R

* Total can include route distribution into F.O. 7.
** Less than three plants, data included in Total.
R - Less than three plants make up remaining disposition from F.O. 13.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 6	F.O. 12	F.O. 13
GEORGIA	*	36,938	45
FLORIDA	27,680	87,886	86,709
ALABAMA		212	
NEW MEXICO		**	
TOTAL	27,680	125,036	86,754

* Less than three producers, data included in Florida production.
** Less than three producers, data included in Alabama production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Longlife Dairy Products Jacksonville, FL
Currently switches regulation between F.O. 5 and F.O. 7. Would be fully regulated in Florida under this merger.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(As of September 1996 pool; information not included in analysis)

Status Changes:		Effective:
Golden Fleece Dairy	Locanto, FL	
From Pool (F.O. 12) to Producer-Handler		March 96
Changes in Regulating Order:		
Publix Supermarkets, Inc.	Lakeland, FL	
To F.O. 12 from F.O. 6		Nov. 95
Name/*Ownership Changes:		
Velda Farms, L.P. to *Velda, Inc.*	St. Petersburg, FL	Feb. 96
**Borden, Inc.* to *Tri-State Dairy*	Miami, FL	Nov. 95
Out of Business:		
Skinners Dairy, Inc. (F.O. 6)	Jacksonville, FL	Feb. 95

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Pricing/pooling. May need special provisions to attract needed supplies of milk during deficit production season.

LIST OF PLANTS AND REGULATORY STATUS

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	FLORIDA STATUS[1]
BORDEN, INC.	MIAMI	FL	Southeast Florida	1	1
FARMS STORES, INC.	MIAMI	FL	Southeast Florida	1	1
GOLDEN FLEECE DAIRY	LECANTO	FL	Tampa Bay	1	1
GUSTAFSON'S DAIRY, INC.	GREEN COVE	FL	Upper Florida	1	1
LIFE STYLE/DIV TG LEE FOODS	ORANGE CITY	FL	Upper Florida	1	1
LONGLIFE DAIRY PRODUCTS, INC.	JACKSONVILLE	FL	Southeast	1	1
M & B PRODUCERS, INC.	TAMPA	FL	Tampa Bay	1	1
MCARTHUR DAIRY, INC.	PLANTATION	FL	Southeast Florida	1	1
MORNINGSTAR FOODS, INC.	WINTER HAVN	FL	Tampa Bay	1	1
MORNINGSTAR FOODS, INC.	MIAMI	FL	Southeast Florida	1	1
PUBLIX SUPER MARKETS	DEERFIELD	FL	Southeast Florida	1	1
PUBLIX SUPER MKT, INC.	LAKELAND	FL	Upper Florida	1	1
SKINNERS DAIRY, INC.	JACKSONVILLE	FL	Upper Florida	1	1
SUPERBRAND DAIRY PRODUCTS, INC.	PLANT CITY	FL	Tampa Bay	1	1
SUPERBRAND DAIRY PRODUCTS, INC.	MIAMI	FL	Southeast Florida	1	1
T.G. LEE FOODS, INC.	ORLANDO	FL	Tampa Bay	1	1
VELDA FARMS, L.P.	ST. PETERSBURG	FL	Tampa Bay	1	1
WIGGINS DAIRY	PLANT CITY	FL	Tampa Bay	1	1

[1]**DISTRIBUTING PLANT STATUS:**
1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

FLORIDA MARKETING AREA - 63 counties

Florida - 63 counties (All currently in F.O. 6, 12 or 13)

Counties of Alachua, Baker, Bay, Bradford, Brevard, Broward, Calhoun,Charlotte, Citrus, Clay, Collier, Columbia, Dade, De Soto, Dixie, Duval, Flagler, Franklin, Gadsden, Gilchrist, Glades, Gulf, Hamilton, Hardee, Hendry, Hernando, Highlands, Hillsborough, Holmes, Indian River, Jackson, Jefferson, Lafayette, Lake, Lee, Leon, Levy, Liberty, Madison, Manatee, Marion, Martin, Monroe, Nassau, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Putnam, St. Johns, St. Lucie, Sarasota, Seminole, Sumter, Suwannee, Taylor, Union, Volusia, Wakulla, Washington.

Suggested Southeast Marketing Area

This version of the report is text only. Click **Suggested Southeast Marketing Area** to view/print this graphic.

DATA FOR SOUTHEAST MARKETING AREA

Consolidated Market: Southeast

Current Markets: Southeast, F.O. 7
Plus: 1 county from F.O. 46
15 currently unregulated counties in Kentucky
2 currently unregulated counties in N.E. Texas

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.
One plant, Turners Dairy in Fulton, Kentucky, that is currently regulated under F.O. 7 but located outside the marketing area, would be located in the suggested Southeast marketing area. A partially regulated plant, Ryan Milk Company, in Murray, Kentucky, also would be located in the suggested Southeast marketing area, and would continue to be a partially regulated plant

All of the route dispositions in the two Texas counties suggested to be added to the Southeast marketing area, and the majority of the sales in the Kentucky areas suggested to be added, are distributed by F.O. 7 handlers.

2) Overlapping procurement areas, see Table 3.
There is overlap of procurement areas between F.O. 46 and F.O. 7 in Kentucky. Logan county in Kentucky (currently in the F.O. 46 marketing area) and 15 currently unregulated Kentucky counties (of the former Paducah marketing area) would become part of the Southeast marketing area. Approximately 90% of the producer milk from the included Kentucky counties is pooled under F.O. 7, with some being pooled under F.O.s 46 and 32.

3) Proposals by industry.
The Southeast marketing area was recently created based on industry proposals. A number of the initial restructuring comments also advocated that the current F.O. 7 area remain separate. Several suggested the addition of F.O.s 6, 12, 13, 5, 11, 46 and even portions of F.O. 106 (S.W. Plains) on the basis of some overlap of distribution and production.

4) Producer affiliation is another criteria that fits this area.
Two cooperative associations have members in the F.O. 7 marketing area and in Kentucky.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL AND FO 7**
Fully Regulated Plants	38
Partially Regulated Plants	2
Exempt Plants	1
Producer Handlers	1
Government Agency	7
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:	
Total Receipts at Pool Distributing Plants [1]	423,783
Total Route Distribution [1]	373,769
Route Distribution within the Marketing Area [1]	330,577
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:	
Total Producer Milk [1,2]	443,921
Class I Utilization Percentage	814.34%
Weighted Average Utilization Value [3]	$14.26

[1] Pounds in thousands
[2] Total milk pooled under orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of consolidation on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION WITHIN MARKETING AREAS

SOURCE		INTO F.O. 7
	F.O. 7	330,697
		85.2%
	TOTAL*	388,101
		100.0%

* - Total can include route disposition from FO 5, 6, 11, 12, 32, 40, 46, 79, 106, 126, and 139 handlers.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF REGULATED HANDLERS

SOURCE		INTO F.O. 7	INTO OTHER ORDERS*	INTO UNREG	INTO TOTAL*
	F.O. 7	330,697	38,438	6,036	375,171
		88.1%	10.2%	1.6%	100.0%

*Other orders can include route distribution into FO 4, 5, 6, 11, 12, 13, 32, 46, 106, and 126 marketing areas.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 7
ALABAMA	39,581
ARKANSAS	35,295
FLORIDA	3,535
GEORGIA	64,924
ILLINOIS	523
KENTUCKY	41,773
LOUISIANA	74,512
MISSISSIPPI	57,473
MISSOURI	39,534
NORTH CAROLINA	5,401
OKLAHOMA	894
SOUTH CAROLINA	3,992
TENNESSEE	77,842
TEXAS	37,228
TOTAL	482,507

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Longlife Dairy Products Jacksonville, FL

Currently regulated under F.O. 7, and has been regulated under F.O. 5. Would be fully regulated in the Florida marketing area under the suggested consolidation because its total sales in the 3 Florida markets exceed those in any other single order.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(as of September 1996 pool; information not included in analysis)

Status Changes:		Effective:
Ryan Milk Company	Murray, KY	
Regulated by F.O. 30 in August 1996, Partially regulated again under F.O. 7		Sept. 96
Taff Dairy	Phil Campbell, AL	
New Producer-handler		Aug. 96
Longlife Dairy Products, Inc.	Jacksonville, FL	
Partially regulated Jan. and Feb. 1996		
Became Pool plant under F.O. 5		Mar. 96
Became Pool plant under F.O. 7		Sept. 96
Changes in Regulating Order:		
Longlife Dairy Products, Inc.		
To F.O. 7 from F.O. 5		Sept. 96
Name/*Ownership Changes:		
**Borden, Inc.* to *Tri-State Dairy*	Macon, GA	Nov. 95
Meadow Gold Dairies, Inc. to *Tri-State Dairy*	Huntsville, AL	Nov. 95
Out of Business:		
Baker & Sons Dairy, Inc.	Macon, GA	
Purchased by Barber Pure Milk Co.		July. 96
Closed		Sept. 96
Borden, Inc.	Little Rock, AR	Jun. 96
Borden, Inc.	Jackson, MS	Dec. 95
Barber Pure Milk Co.	Tupelo, MS	Jun. 96
Brookshire Dairy Products	Columbus, MS	Nov. 95

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Pricing/pooling. May need special provisions to attract needed supply of milk during deficit production season.

List of Plants and Regulatory Status

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	SOUTHEAST STATUS[1]
ALCORN STATE UNIVERSITY	LORMAN	MS	Southeast	6	6
ARKANSAS DEPT. OF CORREC.	GRADY	AR	Southeast	6	6
AVENT'S DAIRY NC	OXFORD	MS	Southeast	1	1
BAKER & SONS DAIRY, INC.	BIRMINGHAM	AL	Southeast	1	1
BARBER PURE MILK CO.	BIRMINGHAM	AL	Southeast	1	1
BARBER PURE MILK CO.	MOBILE	AL	Southeast	1	1
BARBER PURE MILK CO.	TUPELO	MX	Southeast	1	1
BARBE'S DAIRY, INC.	WESTWEGO	LA	Southeast	1	1
BORDEN DAIRY	LITTLE ROCK	AR	Southeast	1	1
BORDEN, INC.	MONROE	LA	Southeast	1	1
BORDEN, INC.	BATON ROUGE	LA	Southeast	1	1
BORDENS, INC.	MACON	GA	Southeast	1	1
BORDEN, INC.	LAFAYETTE	LA	Southeast	1	1
BORDEN, INC.	JACKSON	MS	Southeast	1	1
BROOKSHIRE DAIRY PRODUCTS	COLUMBUS	MS	Southeast	1	1
BROWNS VELVET DY. PRODUCTS	NEW ORLEANS	LA	Southeast	1	1
COLEMAN DAIRY, INC	LITTLE ROCK	AR	Southeast	1	1
DAIRY FRESH CORP.	COWARTS	AL	Southeast	1	1
DAIRY FRESH CORP.	HATTIESBURG	MS	Southeast	1	1
DAIRY FRESH CORP.	PRICHARD	AL	Southeast	1	1
DAIRY FRESH OF LA.	BAKER	LA	Southeast	1	1
DASI PRODUCTS, INC.	DECATUR	AL	Southeast	2	2
ETOWAH MAID DAIRIES, INC.	CANTON	GA	Southeast	4	4
FLAV-O-RICH, INC.	CANTON	MS	Southeast	1	1
FOREMOST DAIRIES	SHREVEPORT	LA	Southeast	1	1
FOREST HILL DAIRY	MEMPHIS	TN	Southeast	1	1
GEORGIA STATE PRISON	REIDSVILLE	GA	Southeast	6	6
GOLD STAR DAIRY	LITTLE ROCK	AR	Southeast	1	1
HERITAGE FARMS DAIRY	MURFREESBORO	TN	Southeast	1	1
HERSHEY CHOCOLATE U.S.A.	SAVANNAH	GA	Tampa Bay	2	2
HUMPHREY DAIRY	HOT SPRINGS	AR	Southeast	3	3
KINNETT DAIRIES, INC.	COLUMBUS	GA	Southeast	1	1
KLEINPETER DAIRY, INC.	BATON ROUGE	LA	Southeast	1	1
LOUISIANA STATE PEN.	ANGOLA	LA	Southeast	6	6
LOUISIANA TECH.	RUSTON	LA	Southeast	6	6
LUVEL DAIRY PRODUCTS, INC.	KOSCIUSKO	MS	Southeast	1	1
MALONE & HYDE DAIRY/ FLEMING COMPANIES, INC.	NASHVILLE	TN	Southeast	1	1

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	SOUTHEAST STATUS[1]
MEADOW GOLD DAIRIES, INC.	HUNTSVILLE	AL	Southeast	1	1
MISSISSIPPI STATE UNIVERSITY	MISS. STATE	MS	Southeast	6	6
PEELER JERSEY FARMS, INC.	ATHENS	GA	Southeast	1	1
PUBLIX SUPERMARKETS, INC.	LAWRENCEVILLE	GA	Southeast	1	1
PURITY DAIRIES, INC.	NASHVILLE	TN	Southeast	1	1
RYAN MILK COMPANY	MURRAY	KY	Southeast	2	2
SOUTHERN UNIVERSITY	BATON ROUGE	LA	Southeast	6	6
SUPERBRAND DY. PRODUCTS, INC.	MONTGOMERY	AL	Southeast	1	1
SUPERBRAND DY. PRODS., INC.	GREENVILLE	SC	Southeast	1	1
SUPERBRAND DY. PRODS., INC.	HAMMOND	LA	Southeast	1	1
TURNER DAIRIES, INC.	COVINGTON	TN	Southeast	1	1
TURNER DAIRIES, INC.	FULTON	KY	Southeast	1	1

[1]**DISTRIBUTING PLANT STATUS:**
1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

SOUTHEAST MARKETING AREA - 513 counties

Alabama - 67 counties (All currently in F.O. 7)

All counties.

Arkansas - 64 counties (All currently in F.O. 7)

Counties of Arkansas, Ashley, Baxter, Bradley, Calhoun, Chicot, Clark, Clay, Cleburne, Cleveland, Columbia, Conway, Craighead, Crittenden, Cross, Dallas, Desha, Drew, Faulkner, Fulton, Garland, Grant, Greene, Hempstead, Hot Spring, Howard, Independence, Izard, Jackson, Jefferson, Johnson, Lafayette, Lawrence, Lee, Lincoln, Little River, Lonoke, Miller, Mississippi, Monroe, Montgomery, Nevada, Newton, Ouachita, Perry, Phillips, Pike, Poinsett, Polk, Pope, Prairie, Pulaski, Randolph, St. Francis, Saline, Searcy, Sevier, Sharp, Stone, Union, Van Buren, White, Woodruff, Yell.

Florida - 4 counties (All currently in F.O. 7)

Counties of Escambia, Okaloosa, Santa Rosa, Walton.

Georgia - 152 counties (All currently in F.O. 7)

[All counties, with the exception of Catoosa, Chattooga, Dade, Fannin, Murray, Walker, Whitfield.]

Counties of Appling, Atkinson, Bacon, Baker, Baldwin, Banks, Barrow, Bartow, Ben Hill, Berrien, Bibb, Bleckley, Brantley, Brooks, Bryan, Bulloch, Burke, Butts, Calhoun, Camden, Candler, Carroll, Charlton, Chatham, Chattahoochee, Cherokee, Clarke, Clay, Clayton, Clinch, Cobb, Coffee, Colquitt, Columbia, Cook, Coweta, Crawford, Crisp, Dawson, De Kalb, Decatur, Dodge, Dooly, Dougherty, Douglas, Early, Echols, Effingham, Elbert, Emanuel, Evans, Fayette, Floyd, Forsyth, Franklin, Fulton, Gilmer, Glascock, Glynn, Gordon, Grady, Greene, Gwinnett, Habersham, Hall, Hancock, Haralson, Harris, Hart, Heard, Henry, Houston, Irwin, Jackson, Jasper, Jeff Davis, Jefferson, Jenkins, Johnson, Jones, Lamar, Lanier, Laurens, Lee, Liberty, Lincoln, Long, Lowndes, Lumpkin, Macon, Madison, Marion, McDuffie, McIntosh, Meriweather, Miller, Mitchell, Monroe, Montgomery, Morgan, Muscogee, Newton, Oconee, Oglethorpe, Paulding, Peach, Pickens, Pierce, Pike, Polk, Pulaski, Putnam, Quitman, Rabun, Randolph, Richmond, Rockdale, Schley, Screven, Seminole, Spalding, Stephens, Stewart, Sumter, Talbot, Taliaferro, Tatnall, Taylor, Telfair, Terrell, Thomas, Tift, Toombs, Towns, Treutlen, Troup, Turner, Twiggs, Union, Upson, Walton, Ware, Warren, Washington, Wayne, Webster, Wheeler, White, Wilcox, Wilkes, Wilkinson, Worth.

Kentucky - 16 counties (1 county currently in F.O. 46, *15 counties currently unregulated*)

Counties of *Allen, Ballard, Barren, Calloway, Carlisle, Fulton, Graves, Hickman*, Logan, *Marshall, Metcalfe, Monroe, Simpson, Todd, Trigg, Warren*.

Louisiana - 64 parishes (All currently in F.O. 7)

All parishes.

Mississippi - 82 counties (All currently in F. O. 7)

All counties.

Tennessee - 62 counties (All currently in F.O. 7)

Counties of Bedford, Benton, Bledsoe, Cannon, Carroll, Cheatham, Chester, Clay, Coffee, Crockett, Davidson, DeKalb, Decatur, Dickson, Dyer, Fayette, Fentress, Franklin, Gibson, Giles, Grundy, Hardeman, Hardin, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Jackson, Lake, Lauderdale, Lawrence, Lewis, Lincoln, Macon, Madison, Marshall, Maury, McNairy, Montgomery, Moore, Obion, Overton, Perry, Pickett, Putnam, Robertson, Rutherford, Shelby, Smith, Stewart, Sumner, Tipton, Trousdale, Van Buren, Warren, Wayne, Weakley, White, Williamson, Wilson.

Texas - 2 counties (Currently unregulated)

Counties of Bowie, Cass.

Suggested Mideast Marketing Area

This version of the report is text only. Click **Suggested Mideast Marketing Area** to view/print this graphic.

DATA FOR MIDEAST MARKETING AREA

Consolidated Market:	Mideast
Current Markets:	Ohio Valley, F.O. 33
	Eastern Ohio-Western Pennsylvania, F.O. 36
	Southern Michigan, F.O. 40
	Louisville-Lexington-Evansville, F.O. 46
	Indiana, F.O. 49
Plus:	Michigan Upper Peninsula (Zone 2), F.O. 44
	12 Counties from S. Illinois-E. Missouri, F.O. 32
	9 Unregulated counties in Indiana
	8 Unregulated counties in Ohio
	3 Unregulated counties in Michigan
	18 Unregulated counties in Kentucky

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.

When examining these markets it appears that F.O. 33 is the common denominator. From Table 2A, total route disposition within the F.O. 33 marketing area is 148 million pounds. F.O. 36 distributes 5.7 % of this total, while F.O. 46 and F.O. 49 provide over 10 million pounds, or more than 7%. One handler, Wayne Dairy, is located in the F.O. 49 marketing area but regulated under F.O. 33. F.O. 40 supplies less than 2% of the 148 million pounds in F.O. 33, but provides 4% of the total route disposition within F.O. 49's marketing area. F.O. 46 distributes 2.6 million pounds, or 2.5% of the total route disposition, within F.O. 49.

Nearly 80% of the route dispositions within the currently-unregulated Indiana counties suggested to be included in the Mideast consolidated order are supplied by handlers that would be regulated under the consolidated order. The currently-unregulated Ohio and Michigan counties that would be added receive all of their route disposition from handlers that would be regulated under the consolidated order.

There are three plants outside the core of the five principal markets to be consolidated that will be regulated under the suggested Mideast market. Two of these plants are currently regulated under F.O. 44: Inverness Dairy, located in the F.O. 40 marketing area, and Jilbert Dairy, located in Marquette, Michigan. While F.O. 44 has very little route disposition into the F.O. 40 marketing area, F.O. 40 distributes 11.1% of the total route disposition within F.O. 44. The third plant currently not regulated under any of the 5 principal orders is Prairie Farms Dairies in Olney, Illinois. Consolidation of the five markets shifts the majority of Prairie Farm Dairies' route disposition into the Mideast market rather than F.O. 32 or the suggested Central marketing area.

From Table 2B, 5.5% of F.O. 36 handlers' Class I dispositions are distributed within the F.O. 33 marketing area, while 7.9% of F.O. 33 dispositions are distributed within F.O. 36. F.O. 46 handlers distribute over 85% of their route sales into the F.O. 46, 33 and 49 marketing areas. F.O. 49 handlers distribute 3.4% of their route sales into the F.O. 33 marketing area, and F.O. 40 handlers sell 1.5% of their route dispositions in the F.O. 33 area.

2) Overlapping procurement areas, see Table 3.

As in route disposition there is a common denominator for milk supply --- the state of Ohio. All five principal consolidated markets receive producer milk from Ohio. A large portion of producer milk for four of the markets (18%) comes from Indiana. Michigan historically has represented a reserve milk supply for handlers in these markets, and in December 1995 the state supplied four of the other order markets with 5% of their producer milk.

The Zone 2 counties of F.O. 44 to be included in the consolidated order provide producer milk to both F.O. 40 and F.O. 44. Zone I and I(a) were not included because a handler located within these particular zones has route disposition into F.O. 30; additionally, F.O. 30 pools producer milk from some of the counties in those zones.

Because the Prairie Farm Dairies plant would be regulated in the Mideast market, 12 Illinois counties would become part of this suggested marketing area. All 12 counties, with the exception of Cumberland, have the majority of their producer milk either pooled at Prairie Farm Dairies or into the Mideast market.

3) Natural boundaries.

The unregulated areas to the east of this new market identify the eastern boundary. The Great Lakes limit the options of moving F.O 40 milk in any direction but southward. Michigan Upper Peninsula has been split to reflect the procurement and route disposition of the handlers located in that area.

4) Proposals by industry.

The merger of at least three of these markets (F.O.s 33, 36 and 40) has been proposed by a variety of interested parties. Several industry proposals closely resemble this suggested consolidated market, with one citing unequal sharing of regional reserves as a basis. A number of others include some combination of these markets with others in the center of the U.S.

Other proposals would: (1) include the F.O. 49 marketing area with areas to the west, (2) consolidate the southern parts of the F.O. 49 and 33 areas with F.O.s 46, 11 and 5, or (3) consolidate only the F.O. 33 and 36 areas and leave F.O. 40 by itself.

5) Producer affiliation is another criteria that fits these markets.

There is one cooperative that is present in all five of the principal markets. Two other cooperatives have members in four of the markets, while four cooperatives operate in at least two different markets.

6) **Multiple component pricing is common to four of the five markets.** F.O. 33, F.O. 36 and F.O. 49 have the same pricing plan while F.O. 40 has a different multiple component pricing plan.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL**	**FO 33**	**FO 36**	**FO 40**	**FO 46**	**FO 49**	**OTHER**[4]
Fully Regulated plants	68	16	19	15	5	10	3
Partially Regulated Plants	4		2	2			
Producer Handlers	19	2	12	4			1
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:							
Total Receipts at Pool Distributing Plants [1]	816,676	192,720	175,442	204,539	85,463	133,137	25,375
Total Route Disposition [1]	660,840	149,902	152,605	168,004	64,341	102,579	23,409
Route Disposition within the Marketing Area [1]	601,927	137,253	143,265	161,302	56,241	89,796	14,070
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:							
Total Producer Milk [1,2]	1,135,721[5]	237,176	271,718	376,601	92,615	157,611	N/A
Class I Utilization Percentage	57.81%	58.36%	57.05%	48.45%	78.21%	65.81%	85.44%
Weighted Average Utilization Value [3]	$12.96	$12.99	$13.07	$12.75	$13.35	$12.97	$13.16

[1] Pounds in thousands
[2] Total milk pooled under the orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of consolidation on utilization
[4] Includes F.O. 32 and F.O. 44 plants suggested for inclusion in the Mideast marketing area.
[5] Producer milk associated with F.O. 32 and F.O. 44 plants not included.

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO				
		F.O. 33	**F.O. 36**	**F.O. 40**	**F.O. 44**	**F.O. 49**
	F.O. 33	120,221	10,965	193	1,616	1,982
		81.3%		0.1%	3.0%	1.9%
	F.O. 36	8,461	134,096	**		**
S		5.7%				
O						
U	**F.O. 40**	2,710		153,603		4,107
R		1.8%		98.2%		4.0%
C						
E	**F.O. 46**	**			40,992	**
					75.4%	
	F.O. 49	3,522		1,612	**	84,156
		2.4%		1.0%		82.6%
	TOTAL*	148,046	R	156,426	54,355	101,865
		100.0%		100.0%	100.0%	100.0%

* Total can include route disposition from FO 7, 11, 30, 32, 44, 50, 65, 79, and 139 handlers.
** Less than three plants, data included in Total.
R-Less than three plants contribute to the remaining route disposition into F.O. 36.

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2B
ROUTE DISTRIBUTION AREAS
OF REGULATED HANDLERS

		INTO					
		F.O. 33	**F.O. 36**	**F.O. 40**	**F.O. 44**	**F.O. 49**	**TOTAL***
	F.O. 33	120,221	10,965	193	1,616	1,982	139,120
		86.4%	7.9%	0.1%	1.2%	1.4%	100.0%
	F.O. 36	8,461	134,096	**		**	152,605
S		5.5%	87.9%				100.0%
O							
U	**F.O. 40**	2,710		153,603		4,107	177,937
R		1.5%		86.3%		2.3%	100.0%
C							
E	**F.O. 46**	**			40,992	**	64,341
					63.7%		100.0%
	F.O. 49	3,522		1,612	**	84,156	102,579
		3.4%		1.6%		82.0%	100.0%

* Total can include route distribution into FO 1, 2, 5, 6, 7, 11, 12, 13, 30, 32, 44, 50, 79 and 126 marketing areas.
** Less than three plants, data included in Total.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 33	F.O. 36	F.O. 40	F.O. 44	F.O. 46	F.O. 49
ILLINOIS					1,637	3,440
INDIANA	19,551		4,169		23,630	116,333
IOWA						961
KENTUCKY	1,658				69,406	
MARYLAND	61	4,281				
MICHIGAN	6,133	42	376,667	5,427		22,929
NEW YORK	455	24,285				
OHIO	204,475	111,498	267		459	15,362
PENNSYLVANIA	1,613	126,267				
VIRGINIA	1,120					
WEST VIRGINIA	7,262	3,698				
WISCONSIN			437	237		12,167
TOTAL	242,328	270,070	381,540	5,664	95,132	171,193

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Toft Dairy Inc. Sandusky, OH

Currently partially regulated. Would be fully regulated under this consolidation without the addition of Erie County because of its increased percentage of route dispositions in a single marketing area.

Valley Rich Dairy Roanoke, VA

Currently partially regulated. Would be fully regulated under this consolidation.

White Knight Packaging Corp. Wyoming, MI

Currently fully regulated because of lock-in provision. Would be partially regulated under this consolidation without continuation of the lock-in provision.

Prairie Farms Dairy, Inc. Olney, IL

Currently fully regulated under Southern Illinois-Eastern Missouri. Would become fully regulated under Mideast as result of consolidation.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(As of September 1996 pool; information not included in analysis)

		Effective:
Status Changes:		
Hartzler Family Dairy	Wooster, OH	
Started business as a Pool plant, F.O. 36		July 96
Name Changes:		
Lansing Dairy, Inc. to *Melody Farms, Inc.*		
	Lansing, MI	May 96
Toledo Milk Processing, Inc. to *Country Fresh of Ohio*		
	Maumee, OH	July 96
Out of Business:		
Jackson All Star Dairy	Jackson, MI	Aug 96
Borden, Inc.	Youngstown, OH	Oct. 95
Miller Corp.	Cambridge City, IN	June 96
Mong Dairy Co.	Seneca, PA	June 96
Murphy's Dairy	Jamestown, PA	Aug. 96
Nichol's Farm Dairy	Beaver, PA	April 96
Raemelton Farm Dairy	Mansfield, OH	April 96
West Virginia University Dairy	Morgantown, WV	Oct. 96

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Pricing. Need to reconcile 2 different multiple component pricing plans.
Pooling. Whether need still exists for F.O. 40 lock-in provision.
Payments.Whether need still exists for Ohio markets' provisions for Market Administrator paying producer

List of Plants and Regulatory Status

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	MIDEAST STATUS[1]
ALBERT MIHALY AND SON DAIRY	LOWELLVILLE	OH	E Ohio - W Penn	4	4
ARPS DAIRY, INC.	DEFIANCE	OH	Ohio Valley	1	1
BAREMAN DAIRY, INC.	HOLLAND	MI	Southern Michigan	1	1
BARKER'S FARM DAIRY, INC.	PECKS MILL	WV	Ohio Valley	4	4
BORDEN, INC.	YOUNGSTOWN	OH	E Ohio - W Penn	1	1
BROUGHTON FOODS CO.	MARIETTA	OH	Ohio Valley	1	1
BRUNTON DAIRY	ALIQUIPPA	PA	E Ohio - W Penn	4	4
BURGER DAIRY CO.	NEW PARIS	IN	Indiana	1	1
BURGER, C.F., CREAMERY, INC.	DETROIT	MI	Southern Michigan	2	2
CALDER BROTHERS DAIRY	LINCOLN PARK	MI	Southern Michigan	1	1
COLTERYAHN DAIRY, INC.	PITTSBURGH	PA	E Ohio - W Penn	1	1
CON-SUN FOOD INDUSTRIES, INC.	ELYRIA	OH	E Ohio - W Penn	1	1
COOK'S FARM DAIRY, INC.	ORTONVILLE	MI	Southern Michigan	4	4
COUNTRY DAIRY	NEW ERA	MI	Southern Michigan	4	4
COUNTY FRESH, INC.	GRAND RAPIDS	MI	Southern Michigan	1	1
CROOKED CREEK FARM DAIRY	ROMEO	MI	Southern Michigan	4	4
DEAN DAIRY PRODUCTS CO.	SHARPSVILLE	PA	E Ohio - W Penn	1	1
DEAN FOODS COMPANY	ROCHESTER	IN	Indiana	1	1
DEAN MILK CO.	LOUISVILLE	KY	Louis - Lex - Evans	1	1
DIXIE DAIRY CO.	GARY	IN	Indiana	1	1
EASTSIDE JERSEY DAIRY, INC.	ANDERSON	IN	Indiana	1	1
ELMVIEW DAIRY	COLUMBUS	PA	E Ohio - W Penn	4	4
EMBEST, INC.	LIVONIA	MI	Southern Michigan	1	1
FIKE, R BRUCE & SONS DAIRY	UNIONTOWN	PA	E Ohio - W Penn	1	1
FISHER'S DAIRY, R.V. FISHER	PORTERSVILLE	PA	E Ohio - W Penn	4	4
FLEMINGS DAIRY	UTICA	OH	Ohio Valley	1	1
GALLIKER DAIRY CO.	JOHNSTOWN	PA	E Ohio - W Penn	2	2
GLEN EDEN FARM-DIANNE TEETS	ROCHESTER	PA	E Ohio - W Penn	4	4
GOSHEN DAIRY COMPANY	NEW PHILADELPHIA	OH	E Ohio - W Penn	1	1
GREEN VALE FARM	COOPERSVILLE	MI	Southern Michigan	4	4
GREEN VALLEY DAIRY	GEORGETOWN	PA	E Ohio - W Penn	4	4
GUERNSEY FARMS DAIRY	NORTHVILLE	MI	Southern Michigan	1	1
HILLSIDE DAIRY CO.	CLEVELAND HGHTS.	OH	E Ohio - W Penn	1	1
HOLLAND DAIRIES, INC.	HOLLAND	IN	Louis - Lex - Evans	1	1
HUTTER FARM DAIRY	MT. PLEASANT	PA	E Ohio - W Penn.	4	4
IDEAL AMERICAN DAIRY	EVANSVILLE	IN	Louis - Lex - Evans	1	1

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	MIDEAST STATUS[1]
INVERNESS DAIRY, INC.	CHEBOYGAN	MI	Michigan U P	1	1
JACKSON ALL STAR DAIRY	JACKSON	MI	Southern Michigan	1	1
JACKSON FARMS	NEW SALEM	PA	E Ohio - W Penn	4	4
JILBERT DAIRY, INC.	MARQUETTE	MI	Michigan U P	1	1
JOHNSON'S DAIRY, INC.	ASHLAND	KY	Ohio Valley	1	1
KERBER'S DAIRY	N. HUNTINGDON	PA	E Ohio - W Penn	1	1
KROGER COMPANY, THE	INDIANAPOLIS	IN	Iindiana	1	1
LANSING DAIRY, INC.	LANSING	MI	Southern Michigan	1	1
LIBERTY DAIRY CO.	EVART	MI	Southern Michigan	1	1
LONDON'S FARM DAIRY, INC.	PORT HURON	MI	Southern Michigan	1	1
MAPLEHURST FARMS, INC.	INDIANAPOLIS	IN	Indiana	1	1
MARBURGER FARM DAIRY, INC.	EVANS CITY	PA	E Ohio - W Penn	1	1
MCDONALD DAIRY COMPANY	FLINT	MI	Southern Michigan	1	1
MEADOW BROOK DAIRY	ERIE	PA	E Ohio - W Penn	1	1
MEYER H & SONS DAIRY	CINCINNATI	OH	Ohio Valley	1	1
MICHIGAN DAIRY	LIVONIA	MI	Southern Michigan	1	1
MILLER CORPORATION	CAMBRIDGE CITY	IN	Indiana	1	1
MONG DAIRY CO.	SENECA	PA	E Ohio - W Penn	1	1
MURPHY'S DAIRY	JAMESTOWN	PA	E Ohio - W Penn	4	4
NICOL'S FARM DAIRY	BEAVER	PA	E Ohio - W Penn	4	4
OBERLIN FARMS DAIRY, INC.	CLEVELAND	OH	E Ohio - W Penn	1	1
OSBORN DAIRY	SAULT STE MARIE	MI	Michigan U P	4	4
PLEASANT VIEW DAIRY CORP.	HIGHLAND	IN	Indiana	1	1
PRAIRIE FARMS DAIRY, INC.	OLNEY	IL	S Illinois - E Missouri	1	1
PRAIRIE FARMS DAIRY, INC.	FT. WAYNE	IN	Indiana	1	1
QUALITY CREAMERY INC.	COMSTOCK PARK	MI	Southern Michigan	1	1
QUALITY DAIRY CO B.T.U.	LANSING	MI	Southern Michigan	1	1
REITER DAIRY CO.	SPRINGFIELD	OH	Ohio Valley	1	1
REITER DAIRY, INC.	AKRON	OH	E Ohio - W Penn	1	1
ROELOF DAIRY	GALESBURG	MI	Southern Michigan	1	1
SANI DAIRY	JOHNSTOWN	PA	E Ohio - W Penn	2	2
SCHENKEL'S ALL-STAR DAIRY, INC.	HUNTINGTON	IN	Indiana	1	1
SCHIEVER FARM DAIRY	HARMONY	PA	E Ohio - W Penn	1	1
SCHNEIDERS DAIRY, INC.	PITTSBURGH	PA	E Ohio - W Penn	1	1
SMITH DAIRY PRODUCTS CO.	ORRVILLE	OH	Ohio Valley	1	1
SMITH'S DAIRY PRODUCTS CO.	RICHMOND	IN	Ohio Valley	1	1
STERLING MILK CO.	WAUSEON	OH	Ohio Valley	1	1

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	MIDEAST STATUS[1]
SUPERIOR DAIRIES, INC.	SAGINAW	MI	Southern Michigan	1	1
SUPERIOR DAIRY, INC.	CANTON	OH	E Ohio - W Penn	1	1
TAMARACK FARMS	NEWARK	OH	Ohio Valley	1	1
TAYLOR MILK CO., INC.	AMBRIDGE	PA	E Ohio - W Penn	1	1
THE SPRINGHOUSE	EIGHTY FOUR	PA	E Ohio - W Penn	4	4
TOFT DAIRY INC.	SANDUSKY	OH	Ohio Valley	2	1
TOLEDO MILK PROCESSING, INC.	MAUMEE	OH	Ohio Valley	1	1
TRAUTH, LOUIS DAIRY	NEWPORT	KY	Ohio Valley	1	1
TURNER DAIRY FARMS, INC.	PITTSBURGH	PA	E Ohio - W Penn	1	1
U C MILK CO	MADISONVILLE	KY	Louis - Lex - Evans	1	1
UNITED DAIRY FARMERS	CINCINNATI	OH	Ohio Valley	1	1
UNITED DAIRY, INC.	MARTINS FERRY	OH	E Ohio - W Penn	1	1
UNITED DAIRY, INC.	CHARLESTON	WV	Ohio Valley	1	1
VALLEY RICH DAIRY	ROANOKE	VA	Ohio Valley	2	1
WEST VIRGINIA UNIVERSITY DAIRY	MORGANTOWN	WV	E Ohio - W Penn	4	4
WHITE KNIGHT PACKAGING CORP.	WYOMING	MI	Southern Michigan	1	2
WINCHESTER FARMS DAIRY	WINCHESTER	KY	Louis - Lex - Evans	1	1
YOUNG'S JERSEY DAIRY, INC.	YELLOW SPRINGS	OH	Ohio Valley	4	4

[1]**DISTRIBUTING PLANT STATUS: ISTRIBUTING**
1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

MIDEAST MARKETING AREA - 395 counties

Illinois - 12 counties (All currently in F.O. 32)

Counties of Clark, Coles, Crawford, Cumberland, Douglas, Edwards, Effingham, Jasper, Lawrence, Moultrie, Richland, Wabash.

Indiana - 92 counties (83 currently in F.O. 49, 9 currently unregulated)

All counties.

Kentucky - 74 counties (38 currently in F.O. 46, 18 currently in F.O. 33, *18 currently unregulated*)

Counties of Anderson, *Bath*, Boone, Bourbon, Boyd, Boyle, Bracken, Breckinridge, Bullitt, Butler, Campbell, *Carroll*, *Carter*, *Christian*, Clark, Daviess, Edmonson, *Elliott*, *Estill*, Fayette, *Fleming*, Floyd, Franklin, *Gallatin*, Garrard, Grant, Grayson, Greenup, Hancock, Hardin, Harrison, Hart, Henderson, Henry, Hopkins, Jefferson, Jessamine, Johnson, Kenton, Larue, Lawrence, *Lee*, Lewis, Madison, Magoffin, Marion, Martin, Mason, McLean, Meade, *Menifee*, Mercer, *Montgomery*, *Morgan*, Muhlenberg, Nelson, *Nicholas*, Ohio, Oldham, Owen, Pendleton, Pike, *Powell*, Robertson, *Rowan*, Scott, Shelby, Spencer, *Trimble*, Union, Washington, Webster, *Wolfe*, Woodford.

Michigan - 77 counties (61 currently in F.O. 40, 9 currently in F.O. 44, 4 currently in F.O. 49, 2 partial counties from F.O. 33, 2 full and 3 partial currently unregulated counties)

Counties of Alcona, Alger, Allegan, Alpena, Antrim, Arenac, Baraga, Barry, Bay, Benzie, Berrien, Branch, Calhoun, Cass, Charlevoix, Cheboygan, Chippewa, Clare, Clinton, Crawford, Eaton, Emmet, Genesee, Gladwin, Grand Traverse, Gratiot, Hillsdale, Houghton, Huron, Ingham, Ionia, Iosco, Isabella, Jackson, Kalamazoo, Kalkaska, Kent, Keweenaw, Lake, Lapeer, Leelanau, Lenawee, Livingston, Luce, Mackinac, Macomb, Manistee, Marquette, Mason, Mecosta, Midland, Missaukee, Monroe, Montcalm, Montmorency, Muskegon, Newaygo, Oakland, Oceana, Ogemaw, Osceola, Oscoda, Otsego, Ottawa, Presque Isle, Roscommon, Saginaw, St. Clair, St. Joseph, Sanilac, Schoolcraft, Shiawassee, Tuscola, Van Buren, Washtenaw, Wayne, Wexford.

Ohio - 88 counties (Includes addition of 8 currently unregulated counties)

All counties.

Pennsylvania - 14 counties (All currently in F.O. 36)

Counties of Allegheny, Armstrong, Beaver, Butler, Clarion (townships of Ashland, Beaver, Licking, Madison, Perry, Piney, Richland, Salem, and Toby), Crawford, Erie, Fayette, Greene, Lawrence, Mercer, Venango, Washington, Westmoreland (except the townships of Cook, Donegal, Fairfield, Ligonier, and St. Clair; and, the boroughs of Bolivar, Donegal, Ligonier, New Florence, and Seward).

West Virginia - 37 counties (20 currently in F.O. 33, 17 currently in F.O. 36)

Counties of Barbour, Boone, Brooke, Cabell, Calhoun, Doddridge, Fayette, Gilmer, Hancock, Harrison, Jackson, Kanawha, Lewis, Lincoln, Logan, Marion, Marshall, Mason, Mingo, Monongalia, Ohio, Pleasants, Preston, Putnam, Raleigh, Randolph, Ritchie, Roane, Taylor, Tucker, Tyler, Upshur, Wayne, Wetzel, Wirt, Wood, Wyoming.

Suggested Upper Midwest Marketing Area

This version of the report is text only. Click **Suggested Upper Midwest Marketing Area** to view/print this graphic.

DATA FOR UPPER MIDWEST MARKETING AREA

Consolidated Market: Upper Midwest

Current Markets: Chicago Regional, F.O. 30
Upper Midwest, F.O. 68
Plus: 2 entire and portions of 5 other currently unregulated counties in Wisconsin
Zone I and I(a) in Michigan Upper Peninsula, F.O. 44

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.
The level of overlap is not as high as for other suggested consolidations, yet there is intermarket movement of packaged fluid milk. From Table 2A: slightly over 3% of the milk distributed into the F.O. 30 marketing area is from F.O. 68 handlers. Less than 2% of the route dispositions in the F.O. 68 area are distributed by F.O. 30 handlers.

From Table 2B, route disposition to other markets from F.O. 30 goes to five different markets. Overlap of route disposition occurs with markets to the south, but plants regulated under those orders distribute more milk to the south than northward, and would be consolidated into the Central market. The portion of F.O. 44 that would be included in the consolidation contains only one plant, so that data cannot be released. However, more association exists between that area and F.O. 30 than with F.O. 40.

2) Overlapping procurement areas, see Table 3.
F.O. 30 and F.O. 68 both obtain over 90 percent of their milk supplies from the same 3 states. Both markets receive 25 percent of their pooled milk from the same group of counties in Wisconsin. The currently unregulated counties in Wisconsin supply both markets with far more milk than they ship to any other area, and can be included in the consolidated marketing area without regulating any additional handlers. Overlapping procurement provides the strongest support for the consolidation of these markets of any of the criteria used.

3) Natural boundaries.
Canada and the Great Lakes, along with unregulated areas to the west, form three boundaries of this consolidated marketing area.

4) Producer affiliation.
There are eight cooperatives that both markets have in common. In F.O. 30, these cooperatives supply 42% of the producer milk. The same cooperatives supply 65% of the producer milk in F.O. 68.

5) **Industry proposals.**
For the most part, industry proposals would consolidate these 2 order areas with a number of other markets, partly to enhance utilization and blend prices. One industry proposal argued that both markets are large enough to stand on their own and each should be left separate. Another industry comment proposed consolidating the two markets on the basis that they have major supply and sales overlap, and that Class I handlers in both markets compete with cheese plants for a milk supply.

6) **Products in common.**
Cheese is a dominant product in both order areas.

7) **Common features.**
Wisconsin, which is a large supplier to both markets, is also the reserve milk supply for a large portion of the country. The core orders have identical multiple component pricing plans, and both areas have large reserves of milk that normally is used in manufactured products.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL**	**FO 30[1]**	**FO 68**
Fully Regulated Plants	27	13	14
Partially Regulated Plants	7	4	3
Producer Handlers	3	2	1
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:			
Total Receipts at Pool Distributing Plants [2]	406,083	244,450	161,633
Total Route Disposition [2]	348,295	216,773	131,522
Route Disposition within the Marketing Area [2]	325,846	199,571	126,275
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:			
Total Producer Milk [2,3]	1,046,539	747,927[5]	298,612
Class I Utilization Percentage	34.16%	29.32%	46.29%
Weighted Average Utilization Value [4]	$12.59	$12.60	$12.55

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[1] Includes FO 44 data
[2] Pounds in thousands
[3] Total milk pooled under the orders
[4] **Not a blend price** -- shown solely for the purpose of showing the impact of consolidation on utilization
[5] Producer milk for FO 30 only

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO	
		F.O. 30**	**F.O. 68**
SOURCE	**F.O. 30****	197,991	1,970
		84.4%	1.6%
	F.O. 68	7,563	118,712
		3.2%	94.8%
	TOTAL*	234,693	125,219
		100.0%	100.0%

* Total can include route disposition from FO 32, 33, 40, 44, 49, 50, 65, 76, 79 and 139 handlers.
**Includes Pollard Dairy from F.O. 44.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF
REGULATED HANDLERS

		INTO			
		F.O. 30**	**F.O. 68**	**UNREG**	**TOTAL***
SOURCE	**F.O. 30****	197,991	1,970	1,512	217,163
		91.2%	0.9%	0.7%	100.0%
	F.O. 68	7,563	118,712	1,291	131,522
		5.8%	90.3%	1.0%	100.0%

* Total can include route distribution into F.O. 32, 44, 49, 50, 65, 76 and 79 marketing areas.
** Includes Pollard Dairy from F.O. 44.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 30	F.O. 68
ILLINOIS	59,838	
INDIANA	*	
IOWA	20,514	17,172
MICHIGAN	5,160	
MINNESOTA	2,095	609,318
NORTH DAKOTA		26,889
OKLAHOMA	1,600	
SOUTH DAKOTA		26,484
TEXAS	28,557	
WISCONSIN	1,315,352	247,689
TOTAL	1,433,116	927,552

*Less than three producers, data included in Michigan production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Lamers Dairy Inc. Kimberly, WI
Currently partially regulated. Would meet pooling standards assumed under consolidation.

Star Specialty Foods, Inc. Madison, WI
Currently a pool plant. Would be partially regulated under assumed consolidation pooling standards.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(as of September 1996 pool; information not included in analysis)

<u>Changes in Regulating Order</u>:		<u>Effective</u>
Morningstar Speciality Foods, Inc.	Sulphur Springs, TX	
From F.O. 30 to F.O. 126. Would not have met assumed consolidation pooling standards.		Aug. 96
<u>Name Changes/*Ownership Changes</u>:		
**Associated Milk Producers, Inc.* to *Foremost Farms Cooperative*	Depere, WI	Dec. 95
Country Lake Foods, Inc. to *Land O'Lakes, Inc.*	Bismarck, ND	Aug. 96
Country Lake Foods, Inc. to *Land O'Lakes, Inc.*	Thief River Falls, MN	Aug. 96
Country Lake Foods, Inc. to *Land O'Lakes, Inc.*	Woodbury, MN	Aug. 96
<u>Out of Business</u>:		
Stoer Dairy Farms	Two Rivers, WI	Feb. 96

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Pooling/pricing. How to move milk to Chicago and other population centers out of cheese plants - transportation credits, call provisions.

List of Plants and Regulatory Status

PLANT NAME	CITY	ST	OCTOBER 1995 FEDERAL	STATUS[1]	UPPER MIDWEST STATUS[1]
ASSOC. MILK PRODUCERS, INC.	DEPERE	WI	Chicago Regional	1	1
AYSTA DAIRY, INC.	VIRGINIA	MN	Upper Midwest	1	1
CASS-CLAY CREAMERY, INC.	GRAND FORKS	ND	Upper Midwest	1	1
CASS-CLAY CREAMERY, INC.	FARGO	ND	Upper Midwest	1	1
CASS-CLAY CREAMERY, INC.	MANDAN	ND	Upper Midwest	2	2
CENTRAL MINNESOTA	SAUK CENTRE	MN	Upper Midwest	1	1
COUNTRY LAKE FOODS, INC.	BISMARCK	ND	Upper Midwest	2	2
COUNTRY LAKE FOODS, INC.	THIEF RIVER	MN	Upper Midwest	1	1
COUNTRY LAKE FOODS, INC.	WOODBURY	MN	Upper Midwest	1	1
DEAN FOODS CO.	HUNTLEY	IL	Chicago Regional	1	1
DEAN FOODS CO.	HARVARD	IL	Chicago Regional	1	1
FOREMOST FARMS USA	WAUKESHA	WI	Chicago Regional	1	1
FOREMOST FARMS USA	WAUSAU	WI	Chicago Regional	1	1
FRANKLIN FOODS	DULUTH	MN	Upper Midwest	1	1
HANSENS DAIRY, INC.	GREEN BAY	WI	Chicago Regional	2	2
HASTINGS COOPERATIVE	HASTINGS	MN	Upper Midwest	1	1
KOHLER MIX SPECIALITIES, INC.	WHITE BEAR	MN	Upper Midwest	2	2
KWIK TRIP DAIRY	LA CROSSE	WI	Chicago Regional	1	1
LAMERS DAIRY, INC.	KIMBERLY	WI	Chicago Regional	2	1
LIFEWAY FOODS, INC.	SKOKIE	IL	Chicago Regional	2	2
MARIGOLD FOODS, INC.	ROCHESTER	MN	Upper Midwest	1	1
MARIGOLD FOODS, INC.	CEDARBURG	WI	Chicago Regional	1	1
MARIGOLD FOODS, INC.	MINNEAPOLIS	MN	Upper Midwest	1	1
MEYER BROTHERS DAIRY	WAYZATA	MN	Upper Midwest	1	1
MORNINGSTAR SPECIALTY FOODS, INC.	SULPHUR	TX	Chicago Regional	1	N/A
MULLER-PINEHURST, INC.	ROCKFORD	IL	Chicago Regional	1	1
NORTH BRANCH DAIRY, INC.	NORTH BRANCH	MN	Upper Midwest	1	1

PLANT NAME	CITY	ST	FEDERAL	OCTOBER 1995 STATUS[1]	UPPER MIDWEST STATUS[1]
OAK GROVE DAIRY	NORWOOD	MN	Upper Midwest	1	1
OBERWEIS DAIRY, INC.	AURORA	IL	Chhicago Regional	1	1
POLLARD DAIRY, INC.	NORWAY	MI	Michigan U P	1	1
ROCK I FARMS	OSWEGO	IL	Chicago Regional	4	4
SCHROEDER MILK CO., INC.	ST PAUL	MN	Upper Midwest	1	1
STAR SPECIALTY FOODS, INC.	MADISON	WI	Chicago Regional	1	2
STOER DAIRY FARMS, INC.	TWO RIVERS	WI	Chicago Regional	4	4
SWILL VALLEY FARMS CO.	CHICAGO	IL	Chicago Regional	1	1
TETZNER DAIRY	WASHBURN	WI	Upper Midwest	4	4
UNITED WORLD IMPORTS	CHICAGO	IL	Chicago Regional	2	2
VERIFINE DAIRY PRODUCTS CO.	SHEBOYGAN	WI	Chicago Regional	1	1

[1] **DISTRIBUTING PLANT STATUS:**

1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

UPPER MIDWEST MARKETING AREA - 205 counties

Illinois - 16 counties (All currently in F.O. 30)

Counties of Boone, Carroll, Cook, De Kalb, Du Page, Jo Daviess (except the city of East Dubuque), Kane, Kendall, Lake, Lee, McHenry, Ogle, Stephenson, Will, Winnebago, Whiteside (only townships of Caloma, Hahnaman, Hopkins, Hume, Jordan, Montmorency, Sterling, Tampico).

Iowa - 6 counties (All currently in F.O. 30)

Counties of Howard, Kossuth, Mitchell (except the city of Osage), Winnebago, Winneshiek, Worth.

Michigan - 6 counties (All currently in Zone I and I(a) of F.O. 44)

Counties of Delta, Dickinson, Gogebic, Iron, Menominee, Ontonagon.

Minnesota - 83 counties (All currently in F.O. 68)

All counties, with the exception of Lincoln, Nobles, Pipestone, Rock.

North Dakota - 16 counties (All currently in F.O. 68)

Counties of Barnes, Cass, Cavalier, Dickey, Grand Forks, Griggs, La Moure, Nelson, Pembina, Ramsey, Ransom, Richland, Sargent, Steele, Traill, Walsh.

South Dakota - 8 counties (All currently in F.O. 68)

Counties of Brown, Day, Edmunds, Grant, Marshall, McPherson, Roberts, Walworth.

Wisconsin - 70 counties (43 counties currently in F.O. 30, 20 counties currently in F.O. 68, *7 counties currently totally/partly unregulated*)

Counties of Adams, Ashland, Barron, Bayfield, Brown, Buffalo, Burnett, Calumet, Chippewa, Clark, Columbia, Dane, Dodge, *Door*, Douglas, Dunn, Eau Claire, *Florence*, Fond du Lac, Forest, Green, Green Lake, Iowa, *Iron*, *Jackson*, Jefferson, Juneau, Kenosha, Kewaunee, La Crosse, Lafayette, Langlade, Lincoln, Manitowoc, *Marinette*, Marquette, *Marathon*, Menominee, Milwaukee, Monroe, Oconto, Oneida, Outagamie, Ozaukee, Pepin, Pierce, Polk, Portage, Price, Racine, Richland, Rock, Rusk, St. Croix, Sauk, Sawyer, Shawano, Sheboygan, Taylor, Trempealeau, Vernon, Vilas, Walworth, Washburn, Washington, Waukesha, Waupaca, Waushara, Winnebago, *Wood*.

Suggested Central Marketing Area

This version of the report is text only. Click **Suggested Central Marketing Area** to view/print this graphic.

DATA FOR CENTRAL MARKETING AREA

Consolidated Market:	Central
Current Markets:	Southern Illinois-Eastern Missouri, F.O. 32 Central Illinois, F.O. 50 Greater Kansas City, F.O. 64 Nebraska-Western Iowa, F.O. 65, less 11 counties Eastern South Dakota, F.O. 76 Iowa, F.O. 79 Southwest Plains, F.O. 106 Eastern Colorado, F.O. 137

Plus:	4 unregulated Colorado counties	10 unregulated Illinois counties
	7 unregulated Iowa counties	7 unregulated Nebraska counties
	23 unregulated Kansas counties	16 unregulated Missouri counties

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.

Overlapping route disposition is difficult to show in Tables 2A and 2B because of the restricted data. The markets tend to be most closely related to their adjacent markets when it comes to route disposition. For example, F.O. 76 has route disposition into F.O. 65 and F.O. 65 has disposition into all the markets it borders. F.O. 106 has route disposition into F.O. 64, which has disposition into F.O. 65 and F.O. 79. The unregulated areas that would be included within this consolidated market receive the majority or all of their route disposition from plants that would be regulated under this Central order.

By combining restricted data for Table 2A, it can be stated that all of the route sales within the F.O. 64 and 65 areas are distributed by handlers regulated under orders suggested for consolidation in the Central marketing area. In addition, over 85% of the route dispositions in the F.O. 32 and 79 marketing areas are distributed from orders that would be incorporated within the Central marketing area.

In Table 2B, the column describing sales into unregulated areas is not limited strictly to unregulated areas suggested for inclusion in the Central area. Concerning sales by current Federal order handlers within the suggested Central area: over two-thirds of the sales by F.O. 32, F.O. 50, and F.O. 76-regulated handlers; over 90 % of sales by F.O. 64 and F.O. 137-regulated handlers; nearly 90% of sales by F.O. 65 and F.O. 106-regulated handlers; and about 80% of sales by F.O. 79-regulated handlers are distributed within the consolidated Central marketing area.

Sales within the currently-unregulated areas suggested to be included in the consolidated Central area are overwhelmingly from handlers that would be pooled under the suggested Central order. Inclusion of these counties would reduce handlers' burden of reporting out-of-area sales and take in pockets of currently-unregulated counties that occur between the current order areas.

2) **Overlapping procurement areas, see Table 3.**
As with route disposition, adjacent markets tend to share procurement areas. F.O. 137 has greater association to this merged market through procurement than it does through route disposition. Almost 11 percent of F.O. 137's producer milk came from Nebraska, with about 5% from counties that also supplied milk to the Nebraska-Western Iowa market.

3) **Number of handlers within a market.**
Three of the current F.O. markets (50, 64 and 76) included in the suggested consolidated Central market have too few pool plants to be able to publish any market data without revealing confidential information. In addition, the number of handlers regulated under each of F.O.s 65, 79 and 137 is in the single digits.

4) **Proposals by industry.**
Although some industry proposals would combine F.O. 106 with F.O.s 126 and 138, several proposals would include the northern and/or eastern portions of F.O. 106 with areas to the north and east. A number of proposals suggested that F.O.s 64, 65, 76 and 79 should be combined. Some proposals would add areas to the east (F.O.s 32 and 50, along with F.O. 49), and some would add portions of F.O. 106, to the south. A couple of proposals would include the former Black Hills area, the order that was terminated effective October 1996. One proposal suggested eliminating the western portion of the Nebraska-Western Iowa order from F.O. regulation.

5) **Producer affiliation.**
The eight markets that would make up the new Central market contain a number of cooperatives. There are no cooperatives common to all eight markets. One cooperative has members in six of the markets, and another has members in five of the markets. Three cooperatives each have members in three of the Central markets.

The Eastern Colorado market has one of the lowest degrees of relationship with other current F.O. markets, both in terms of overlapping route sales and in terms of overlapping milk supply area, of any of the marketing areas suggested for consolidation. It is one of the two or three marketing areas that could be justified most easily as a separate Federal order marketing area.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	TOTAL	FO 32	FO 50 [1]	FO 65	FO 79	FO 106	FO 137
Fully Regulated Plants	42	10	3	4	6	10	9
Partially Regulated Plants	3				1	1	1
Producer- Handlers	9			1	2	2	4
Government Agency	4		3				1

FULLY REGULATED DISTRIBUTING PLANT INFORMATION:

	TOTAL	FO 32	FO 50	FO 65	FO 79	FO 106	FO 137
Total Receipts at Pool Distributing Plants [2]	571,201	106,821	50,433	70,291	98,159	166,571	78,926
Route Disposition [2]	450,597	82,061	44,255	54,296	81,208	127,448	61,329
Route Disposition within the Marketing Area [2]	384,202	65,136	34,686	47,881	64,686	114,076	57,737

MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:

	TOTAL	FO 32	FO 50	FO 65	FO 79	FO 106	FO 137
Total Producer Milk [2,3]	932,929	143,169	61,164	125,812	176,155	289,675	136,954
Class I Utilization Percentage	50.59%	66.26%	73.22%	42.01%	49.58%	46.69%	N/A
Weighted Average Utilization Value [4]	$13.15	$12.93	$13.05	$12.63	$12.69	$13.29	$13.27

[1]Includes data for FO 50, FO 64 and FO 76
[2]Pounds in thousands
[3]Total milk pooled under the orders
[4]**Not a blend price** -- shown solely for the purpose of showing the impact of consolidation on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO							
		F.O. 32	F.O. 50	F.O. 64	F.O. 65	F.O. 76	F.O. 79	F.O. 106	F.O. 137
SOURCE	F.O. 32	56,291	2,074	**			*	11,246	
		84.1%	12.5%					9.7%	
	F.O. 50	*	**				**		
	F.O. 64	**		*	**		*	**	
	F.O. 65			4,185	37,998	3,132	*	*	*
				9.3%	94.5%	31.4%			
	F.O. 76				*	**			
	F.O. 79	*	2,797	*	1,823		49,421		*
			16.9%		4.5%		83.4%		
	F.O. 106	**		11,851				101,894	
				26.2%				88.3%	
	F.O. 137				**				57,668
									98.2%
	TOTAL*	66,967	16,580	45,164	40,220	9,963	59,245	115,479	58,705
		100.0%	100.0%	100.0%1	100.0%	100.0%	100.0%	100.0%	100.0%

* - Total can include route disposition from F.O. 7, 30, 33, 40, 46, 49, 68, 126, 131, 138 and 139 handlers.
** - Less than three plants, data included in Total.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF REGULATED HANDLERS

INTO

SOURCE	F.O. 32	F.O. 50	F.O. 64	F.O. 65	F.O. 76	F.O. 79	F.O. 106	F.O. 137	UNREG	TOTAL*
F.O. 32	56,291	2,074	**			*	11,246		12,754	101,601
	55.4%	2.0%					11.1%		12.6%	100.0%
F.O. 50	*	**				**			*	*
F.O. 64	**		*	**		*	**		*	*
F.O. 65			4,185	37,998	3,132	*	*	*	4,538	54,295
			7.7%	70.0%	5.8%				8.4%	100.0%
F.O. 76				*	**				*	*
F.O. 79	*	2,797	*	1,823		49,421		*	3,590	81,225
		3.4%		2.2%		60.8%			4.4%	100.0%
F.O. 106	**		11,851				101,894		*	127,725
			9.3%				79.8%			100.0%
F.O. 137				**				57,668	2,600	61,329
								94.0%	4.2%	100.0%

* - Total can include route distribution into F.O. 2, 4, 7, 30, 33, 46, 49, 68, 75, 126, 134 and 138 marketing areas.
** - Less than three plants, data included in Total.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 32#	F.O. 65##	F.O. 79	F.O. 106	F.O. 137
ARKANSAS				14,213	
COLORADO		**			118,515
IDAHO					849
ILLINOIS	94,071		1,333		
INDIANA	708				
IOWA	17,761	27,224	172,974		
KANSAS		27,707	5,495	62,466	4,334
KENTUCKY	*				
MINNESOTA	13,905	13,342	11,886		
MISSISSIPPI	*				
MISSOURI	25,095	16,872	***	105,890	
NEBRASKA		67,287	****	****	15,154
NEW MEXICO				27,540	3,320
OKLAHOMA	9,168			61,770	
SOUTH DAKOTA		37,246			
TENNESSEE	864				
TEXAS	643			*****	
WISCONSIN	17,630		64,100		
WYOMING					941
TOTAL	179,845	189,678	255,788	271,879	143,113

- F.O. 32 includes data for F.O. 50.
- F.O. 65 includes data for F.O. 64 and F.O. 76.
* - Less than three producers, data is included in Tennessee production.
** - Less than three producers, data is included in Nebraska production.
*** - Less than three producers, data is included in Iowa production.
**** - Less than three producers, data is included in Kansas production.
***** - Less than three producers, data is included in Oklahoma production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Dairy Gold Foods Co. Cheyenne, WY
Currently is a partially regulated plant, would be fully regulated under the consolidation using the assumed pooling standards.

Swiss Valley Farms Co. Cedar Rapids, IA
Currently is a fully regulated plant, would be partially regulated under the consolidation using the assumed pooling standards.

Mid-American Dairymen, Inc. Lebanon, MO
Currently is a fully regulated plant, would be partially regulated under the consolidation using the assumed pooling standards.

Prairie Farms Dairy, Inc. Olney, IL
Currently is a fully regulated plant under F.O. 32, would be a fully regulated plant within the suggested Mideast marketing area.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(as of September 1996 pool; information not included in analysis)

<u>Status Changes:</u>		<u>Effective:</u>
Gillette Dairy of Black Hills	Rapid City, SD	
Became partially regulated		Oct. 96
W.H. Braum, Inc.	Tuttle, OK	
Became fully regulated		Apr. 96
<u>Name and Ownership Change:</u>		
Meadow Gold Dairy, Inc. to *Modern Dairy*		
	Tulsa, OK	Nov. 95
<u>Out of Business</u>		
Baker's Dairy Company	Moline, IL	June 96
College of the Ozarks	Point Lookout, MO	Jan. 96
Tegelers Dairy	Dyersville, IA	Nov. 95

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Multiple component pricing. Three of the current orders contain identical multiple component pricing plans. Need to decide whether to incorporate these plans or some other into consolidated order.

Payments. Under F.O. 106, handlers delinquent in paying order obligations must pay to Market Administrator (MA) amounts due to producers and cooperative associations, and MA pays producers and co-ops.

Partial payments. Under F.O. 106, amount of partial payment is adjusted seasonally.

List of Plants and Regulatory Status

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	CENTRAL STATUS[1]
ANDERSON ERICKSON DAIRY CO.	DES MOINES	IA	Iowa	1	1
BAKER'S DAIRY COMPANY	MOLINE	IL	Iowa	1	1
BRAUMS ICE CREAM CO., INC.	OKLAHOMA CITY	OK	Southwest Plains	1	1
CHESTER DAIRY CO.	CHESTER	IL	S Illinois - E Missouri	1	1
COLLEGE OF THE OZARKS	POINT LOOKOUT	MO	Southwest Plains	1	1
COUNTY LAKE FOODS	SIOUX FALLS	SD	E South Dakota	1	1
DAIRY GOLD FOODS CO.	CHEYENNE	WY	Eastern Colorado	2	1
DEPT. OF INSTITUTIONS	CANON CITY	CO	Eastern Colorado	6	6
DILLON CO., INC.	DENVER	CO	Eastern Colorado	1	1
ELDON MOSS	IOWA CITY	IA	Iowa	4	4
FARM FRESH DAIRY, INC.	CHANDLER	OK	Southwest Plains	1	1
GALESBURG CORR. CENTER	GALESBURG	IL	Central Illinois	6	6
GILLETTE DAIRY OF BLACK HILLS	RAPID CITY	SD	Blacks Hills	1	2
GRAVES GRADE A DAIRY	BELLVUE	CO	Eastern Colorado	4	4
HILAND DAIRY CO.	SPRINGFIELD	MO	Southwest Plains	1	1
HILAND DAIRY CO.	NORMAN	OK	Southwest Plains	1	1
HILAND DAIRY CO.	FAYETTEVILLE	AR	Southwest Plains	1	1
HILAND DAIRY CO.	WICHITA	KS	Southwest Plains	1	1
HILAND DAIRY CO.	FORT SMITH	AR	Southwest Plains	1	1
JACKSON ICE CREAM CO.	HUTCHINSON	KS	Southwest Plains	1	1
KANSAS STATE UNIV.	MANHATTAN	KS	Greater Kansas City	6	6
KARL'S FARM DAIRY, INC.	EASTLAKE	CO	Eastern Colorado	4	4
LAESCH DAIRY CO.	BLOOMINGTON	IL	S Illinois - E Missouri	1	1
LAND-O-SUN DAIRIES, INC.	O'FALLEN	IL	S Illinois - E Missouri	1	1
LONGMONT DAIRY FARM	LONGMONT	CO	Eastern Colorado	4	4
LOWELL-PAUL DAIRY	GREELEY	CO	Eastern Colorado	4	4
MEADOW GOLD DAIRIES, INC.	GREELEY	CO	Eastern Colorado	1	1
MEADOW GOLD DAIRIES, INC.	ENGLEWOOD	CO	Eastern Colorado	1	1
MEADOW GOLD DAIRIES, INC.	CHAMPAIGN	IL	S Illinois - E Missouri	1	1
MEADOW GOLD DAIRY	TULSA	OK	Southwest Plains	1	1
MEADW GOLD DAIRY, INC.	LINCOLN	NE	Nebraska - W Iowa	1	1
MID-AMERICA DAIRYMEN, INC.	LEBANON	MO	Southwest Plains	1	2

				OCTOBER 1995	CENTRAL
PLANT NAME	CITY	ST	FEDERAL ORDER	STATUS[1]	STATUS[1]
MID-STATES DAIRY COMPANY	HAZELWOOD	MO	S Illinois - E Missouri	1	1
PATKE FARM DAIRY	WASHINGTON	MO	S Illinois - E Missouri	1	1
PEVELY DAIRY CO.	ST LOUIS	MO	S Illinois - E Missouri	1	1
PRAIRIE FARM DAIRIES, INC.	CARLINVILLE	IL	S Illinois - E Missouri	1	1
PRAIRIE FARMS DAIRY, INC.	GRANITE CITY	IL	S Illinois - E Missouri	1	1
PRAIRIE FARMS DAIRY, INC.	PEORIA	IL	Central Illinois	1	1
PRAIRIE FARMS DAIRY	QUINCY	IL	S Illinois - E Missouri	1	1
RADIANCE DAIRY	FAIRFIELD	IA	Iowa	4	4
ROBERTS DAIRY CO.	OMAHA	NE	Nebraska - W Iowa	1	1
ROBERTS DAIRY CO.	DES MOINES	IA	Iowa	1	1
ROBERTS DAIRY CO.	IOWA CITY	IA	Iowa	1	1
ROBERTS DAIRY CO.	KANSAS CITY	MO	Greater Kansas City	1	1
ROBINSON DAIRY, INC.	DENVER	CO	Eeastern Colorado	1	1
ROYAL CREST DAIRY	DENVER	CO	Eastern Colorado	1	1
SAFEWAY STORES, INC., MK PLNT	DENVER	CO	Eastern Colorado	1	1
SCHRANT ROADSIDE DAIRY	WINSIDE	NE	Nebraska - W Iowa	4	4
SHOENBERG FARMS	ARVADA	CO	Eastern	1	1
SINTON DAIRY	COLORADO	CO	Eastern Colorado	1	1
SOUTH DAKOTA STATE UNIV.	BROOKINGS	SD	E South Dakota	6	6
SWAN BROS. DAIRY, INC.	CLAREMORE	OK	Southwest Plains	4	4
SWISS VALLEY FARMS CO.	CEDAR RAPIDS	IA	Iowa	1	2
SWISS VALLEY FARMS CO.	DUBUQUE	IA	Iowa	1	1
TEGELERS DAIRY	DYERSVILLE	IA	Iowa	1	1
WELLS DAIRY, INC.	OMAHA	NE	Nebraska - W Iowa	1	1
WELLS DAIRY, INC.	LE MARS	IA	Nebraska - W Iowa	1	1
WILD'S BROTHER'S DAIRY	EL RENO	OK	Southwest Plains	4	4

[1]**DISTRIBUTING PLANT STATUS:**

1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

CENTRAL MARKETING AREA - 484 counties

Arkansas - 11 counties (All currently in F.O. 106)

Counties of Benton, Boone, Carroll, Crawford, Franklin, Logan, Madison, Marion, Scott, Sebastian, Washington.

Colorado - 33 counties (30 currently in F.O. 137, *3 currently unregulated*)

Counties of Adams, Arapahoe, *Baca, Bent*, Boulder, Cheyenne, Clear Creek, Crowley, Custer, Denver, Douglas, Elbert, El Paso, Gilpin, Huerfano, Jefferson, Kiowa, Kit Carson, Larimer, Las Animas, Lincoln, Logan, Morgan, Otero, Park, Phillips, *Prowers*, Pueblo, Sedgwick, Teller, Washington, Weld, Yuma.

Illinois - 68 counties, 1 partial county and the city of East Debuque (37 currently in F.O. 32, [19 currently in F.O. 50], 4 currently in F.O. 79, *8 currently unregulated counties)*

Counties of *Alexander*, Bond, [Bureau], Calhoun, [Cass], Champaign, Christian, Clay, Clinton, DeWitt, Edgar, Fayette, [Ford], Franklin, [Fulton], *Gallatin*, Greene, [Grundy], Hamilton, *Hardin*, Henderson, Henry, [Iroquois], Jackson, Jefferson, Jersey, Jo Daviess (city of East Debuque), *Johnson*, [Kankakee], [Knox], [La Salle], [Livingston], Logan, Macon, Macoupin, Madison, Marion, [Marshall], *Massac*, [Mason], [McDonough], McLean, Menard, Mercer, Monroe, Montgomery, Morgan, [Peoria], Perry, Piatt, *Pope, Pulaski*, [Putnam], Randolph, Rock Island, St. Clair, Sagamon, Saline, Shelby, [Stark], [Tazewell], *Union*, Vermilion, [Warren], Washington, Wayne, White, Whiteside (townships of Fulton, Ustick, Clyde, Genesee, Mount Pleasant, Union Grove, Garden Plain, Lyndon, Fenton, Newton, Prophetstown, Portland, and Erie), Williamson, [Woodford].

Iowa - 92 counties and the city of Osage (17 currently in F.O. 65, [1 currently in F.O. 76], 68 currently in F.O. 79*, 6 currently unregulated counties*)

Counties of Adair, Adams, Allamakee, Appanoose, Audubon, Benton, Black Hawk, Boone, Bremer, Buchanan, *Buena Vista*, Butler, Calhoun, Carroll, Cass, Cedar, Cerro Gordo, Cherokee, Chickasaw, Clarke, *Clay*, Clayton, Clinton, Crawford, Dallas, Davis, Decatur, Delaware, Des Moines, *Dickinson*, Dubuque, *Emmet*, Fayette, Floyd, Franklin, Fremont, Greene, Grundy, Guthrie, Hamilton, Hancock, Hardin, Harrison, Henry, Humboldt, Ida, Iowa, Jackson, Jasper, Jefferson, Johnson, Jones, Keokuk, Linn, Louisa, Lucas, [Lyon], Madison, Mahaska, Marion, Marshall, Mills, Mitchell (city of Osage), Monona, Monroe, Montgomery, Muscatine, O'Brien, *Osceola*, Page, *Palo Alto*, Plymouth, Pocahontas, Polk, Pottawattamie, Poweshiek, Ringgold, Sac, Scott, Shelby, Sioux, Story, Tama, Taylor, Union, Van Buren, Wapello, Warren, Washington, Wayne, Webster, Woodbury, Wright.

Kansas - 105 counties (26 in F.O. 64, 52 in F.O. 106, 4 in F.O. 137, and the following 23 currently unregulated: Anderson, Chase, Coffey, Decatur, Elk, Ellsworth, Franklin, Graham, Greenwood, Jewell, Lincoln, Linn, Mitchell, Norton, Osage, Osborne, Phillips, Rawlins, Rooks, Sheridan, Smith, Thomas, Woodson)

All counties.

Minnesota - 4 counties (All currently in F.O. 76)

Counties of Lincoln, Nobles, Pipestone, Rock.

Missouri - 75 counties and the city of St. Louis ([12 currently in F.O. 32], 20 currently in F.O. 64, {5 currently in F.O. 79}, 23 currently in F.O. 106, *16 currently unregulated*)

Counties of Andrew, Atchison, Barry, Barton, Bates, [Bollinger], Buchanan, *Butler*, [Cape Girardeau], *Carter*, Cass, Cedar, Christian, Clay, Clinton, [Crawford], Dade, Dallas, Daviess, De Kalb, *Dent*, Douglas, *Dunklin*, [Franklin], Gentry, Greene, {Grundy}, {Harrison}, Henry, Holt, Howell, *Iron*, Jackson, Jasper, [Jefferson], Johnson, Laclede, Lafayette, Lawrence, McDonald, *Madison*, {Mercer}, *Mississippi*, *New Madrid*, Newton, Nodaway, *Oregon*, Ozark, *Pemiscot*, [Perry], Pettis, Platte, Polk, Pulaski (Fort Leonard Wood Military Reservation, only), {Putnam}, *Reynolds*, *Ripley*, [St. Charles], St. Clair, [St. Francois], St. Louis (City), [St. Louis], [Ste. Genevieve], {Schuyler}, *Scott*, *Shannon*, *Stoddard*, Stone, Taney, Texas, Vernon, [Warren], [Washington], *Wayne*, Webster, Worth, Wright.

Nebraska - 66 counties (59 currently in F.O. 65, *7 currently unregulated*)

Counties of Adams, Antelope, Boone, Buffalo, Burt, Butler, Cass, Cedar, *Chase*, Clay, Colfax, Cuming, Custer, Dakota, Dawson, Dixon, Dodge, Douglas, *Dundy*, Fillmore, Franklin, Frontier, Furnas, Gage, Gosper, Greeley, Hall, Hamilton, Harlan, *Hayes*, *Hitchcock*, Howard, Jefferson, Johnson, Kearney, Keith, Knox, Lancaster, Lincoln, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, *Pawnee*, *Perkins*, Phelps, Pierce, Platte, Polk, Red Willow, *Richardson*, Saline, Sarpy, Saunders, Seward, Sherman, Stanton, Thayer, Thurston, Valley, Washington, Wayne, Webster, York.

Oklahoma - 77 counties (All currently F.O. 106)

All counties.

South Dakota - 26 counties (25 currently F.O. 76, *1 currently F.O. 76/65*)

Counties of Aurora, Beadle, Bon Homme, Brookings, Clark, Clay, Codington, Davison, Deuel, Douglas, Hamlin, Hanson, Hutchison, Jerauld, Kingsbury, Lake, Lincoln, McCook, Miner, Minnehaha, Moody, Sanborn, Spink, Turner, *Union*, Yankton.

Wisconsin - 2 counties (Both currently in F.O. 79)

Counties of Crawford and Grant.

Suggested Southwest Marketing Area

This version of the report is text only. Click **Suggested Southwest Marketing Area** to view/print this graphic.

DATA FOR SOUTHWEST MARKETING AREA

Consolidated Market:	Southwest
Current Markets:	Texas, F.O. 126 New Mexico-West Texas, F.O. 138 Central Arizona, F.O. 131

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.
From Table 2A, F.O. 138 provides almost four percent of the total route disposition within the F.O. 126 marketing area. Sales within the F.O. 138 marketing area are nearly all from plants regulated under orders suggested to be included in the Southwest consolidated marketing area. Route dispositions within the F.O. 106 area are shown for the purpose of demonstrating the lack of relationship between these areas and the F.O. 106 area. In relative terms, over ten times the amount of route disposition in the F.O. 138 area is supplied by F.O. 126 than by F.O. 106. F.O. 131 distributes 6.4 percent of the total route disposition within F.O. 138. This represents nearly all of the relationship between the F.O. 131 area and the other markets in the Southwest consolidated area.

From Table 2B, over 95% of the route disposition by F.O. 126 and 138 handlers are distributed in those two marketing areas.

2) Overlapping procurement areas, see Table 3.
Nearly all of the milk production for F.O.s 126 and 138 is obtained from the same three states.

3) Proposals by industry.
Nearly all of the proposals dealing with the consolidation of markets in the Southwest would combine F.O.s 126 and 138, with most including at least the Oklahoma portion of F.O. 106. Several proposals would include F.O. 131 with F.O.s 138 and 126, and some would include Utah (F.O. 139) and Colorado (F.O.s 134 and 137), as well. A couple of proposals would include the Cheyenne area of Wyoming. One proposal would consolidate all of the southern region west of the Rocky Mountains and east of the Sierra Nevada.

4) Number of handlers within a market.
Central Arizona has only 5 pool handlers. Currently these are enough to remain a separate order, but a decline in number could cause market data to become restricted.

5) Producer affiliation is another criteria that fits these markets.
There are two cooperatives that are associated with both F.O. 126 and F.O. 138. These cooperatives market the vast majority of cooperative milk within the two markets.

Central Arizona has one of the lowest degrees of association with other Federal order markets of any of the suggested order consolidations. It is one of the two or three marketing areas that could be justified most easily as a separate Federal order marketing area.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL**	**FO 126**	**FO 138**	**FO 131**
Fully Regulated Plants	31	17	9	5
Partially Regulated Plants	1	1		
Exempt Plants	3		3	
Producer Handlers	10	2	5	3
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:				
Total Receipts at Pool Distributing Plants [1]	471,237	294,484	70,033	106,720
Total Route Disposition [1]	408,977	259,342	60,241	89,394
Route Disposition within the Marketing Area [1]	381,944	246,697	58,351	76,896
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:				
Total Producer Milk [1,2]	861,307	537,739	142,493	181,075
Class I Utilization Percentage	48.30%	49.78%	41.93%	48.89%
Weighted Average Utilization Value [3]	$13.36	$13.49	$13.00	$13.26

[1] Pounds in thousands
[2] Total milk pooled under the orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of consolidation utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

SOURCE	INTO: F.O. 131	F.O. 126	F.O. 138	F.O. 106
F.O. 131	76,896		3,662	
	100.0%		6.4%	
F.O. 126		242,769	4,261	601
		90.2%	7.5%	0.5%
F.O. 138		10,443	47,908	**
		3.9%	83.9%	
F.O. 106		5,476	**	101,894
		2.0%		88.2%
F.O. 7		10,358		540
		3.8%		0.5%
TOTAL*	76,906	269,152	57,116	115,479
	100.0%	100.0%	100.0%	100.0%

* - Total can include route disposition from F.O. 7, 40, 79, 106, 134, 137 and 139 handlers.
** - Less than three plants, data included in disposition from F.O. 126.

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2B
ROUTE DISPOSITION AREAS OF
REGULATED HANDLERS

		INTO					
		F.O. 131	**F.O. 126**	**F.O. 138**	**F.O.106**	**UNREG**	**TOTAL***
	F.O. 131	76,896		3,662		7,910	89,518
		85.9%		4.1%		8.8%	100.0%
S							
O	**F.O. 126**		242,769	4,458	**	5,876	259,342
U			93.6%	1.7%		2.3%	100.0%
R							
C	**F.O. 138**		10,443	47,908	***	1,890	60,241
E			17.3%	79.5%		3.1%	100.0%
	F.O. 106		5,809	****	101,894	3,480	127,725
			4.5%		79.8%	2.7%	100.0%

* - Total can include route disposition into other federal orders.
** - Less than three plants, data included with disposition into F.O. 138 marketing area.
*** - Less than three plants, data included with disposition into unregulated areas.
**** - Less than three plants, data included with disposition into F.O. 126 marketing area.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 131	F.O. 126	F.O. 138	F.O. 106
ARIZONA	197,228			
ARKANSAS		265		14,213
CALIFORNIA	*			
COLORADO			****	
KANSAS		**		62,466
LOUISIANA		***		
MISSOURI		507		105,890
NEBRASKA				*****
NEW MEXICO		122,795	141,828	27,540
OKLAHOMA		2,692	10,490	61,770
TEXAS		432,650	31,944	******
TOTAL	197,228	558,909	184,262	271,879

* - Less than three producers, data included in Arizona production.
** - Less than three producers, data included in Missouri production.
*** - Less than three producers, data included in Arkansas production.
**** - Less than three producers, data included in New Mexico production.
***** - Less than three producers, data included in Kansas production.
****** - Less than three producers, data included in Oklahoma production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Morningstar Specialty Foods Sulphur Springs, TX

Currently is a fully regulated plant under F.O. 30, would be partially regulated under the consolidation.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(as of September 1996 pool; information not included in analysis)

Status Changes:		Effective:
Promised Land Dairy	Floresville, TX	
New - Fully Regulated Handler		Mar.96
Oak Farms Dairy	Waco, TX	
(formerly Pure Milk Co.)		
From Producer Handler to Fully Regulated		Feb. 96
Changes in Regulating Order:		
Morningstar Specialty Foods	Sulphur Springs, TX	
From FO 30 to FO 126		Aug. 96
Name Changes:		
Pure Milk Co. to *Oak Farms Dairy*		
	Waco, TX	Feb. 96
Out of Business:		
Borden Company	Corpus Christi, TX	Jun. 96
Dean Dairy Products	Clovis, TX	Dec. 95
Jerseyland	Decantur, TX	Dec. 95
Sunstreet Dairy, Inc.	Phoeniz, AZ	Jun. 96

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Payments to market administrator. The Texas order (FO 126) specifies that handlers pay all pool obligations to the market administrator, who then pays producers and cooperative associations. The New Mexico-West Texas order (FO 138) provides that a handler is to pay producers directly unless the handler has failed to make such payments during the preceding 3 months, in which case the market administrator receives the monies for payment to producers. FO 131 (Central Arizona) provides that handlers pay for producer milk with only the equalization part of the payment going to the market administrator.

Transportation credit. The Texas order provides for a transportation credit for milk moved out of Texas during periods of the year when milk supplies are likely to be in surplus.

International trade. These 3 markets, all adjoining Mexico, may require special provisions to deal with international trade.

List of Plants and Regulatory Status

PLANT NAME	CITY	ST	OCTOBER 1995 FEDERAL ORDER	STATUS[1]	SOUTHWEST STATUS[1]
BELL DAIRY PRODUCTS, INC.	LUBBOCK	TX	New Mex - W Texas	1	1
BORDEN, INC.	CORPUS CHRISTI	TX	Texas	1	1
BORDEN, INC.	EL PASO	TX	New Mex - W Texas	1	1
BORDEN, INC.	DALLAS	TX	Texas	1	1
BORDEN, INC.	ALBUQUERQUE	NM	New Mex - W Texas	1	1
BORDEN, INC.	LUBBOCK	TX	New Mex - W Texas	1	1
BORDEN, INC.	CONROE	TX	Texas	1	1
CREAMLAND DAIRIES	ALBUQUERQUE	NM	New Mex - W Texas	1	1
DAVID'S SUPERMARKETS, INC.	GRANDVIEW	TX	Texas	1	1
DEAN DAIRY PRODUCTS	CLOVIS	NM	New Mex - W Texas	1	1
ETHINGTON DAIRY	GILBERT	AZ	Central Arizona	4	4
FARMERS DAIRIES	EL PASO	TX	New Mex - W Texas	1	1
GOLDEN WEST DAIRIES	WELLTON	AZ	Central Arizona	4	4
HEIN & ELLEN HETTINGA DAIRY	YUMA	AZ	Central Arizona	4	4
HOBBS DRIVE IN DAIRY	HOBBS	NM	New Mex - W Texas	3	3
HYGEIA DAIRY	CORPUS CHRISTI	TX	Texas	1	1
H. E. BUTT - HRCS	HOUSTON	TX	Texas	1	1
H. E. BUTT GROCERY CO.	SAN ANTONIO	TX	Texas	1	1
JACKSON ICE CREAM CO., INC.	PHOENIX	AZ	Central Arizona	1	1
JERSEYLAND	DECATUR	TX	Texas	4	4
LAND O' PINES	LUFKIN	TX	Texas	1	1
LANE'S DAIRY	EL PASO	TX	New Mex - W Texas	4	4
LILLY DAIRY PRODUCTS, INC.	BYRAN	TX	Texas	1	1
LOS LUNAS PRISON DAIRY	ALBUQUERQUE	NM	New Mex - W Texas	3	3
MICKEY'S DRIVE IN DAIRY	ALBUQUERQUE	NM	New Mex - W Texas	4	4
MORNINGSTAR SPECIALTY	SULPHUR SPRINGS	TX	Chicago Regional	1	2
MOUNTAIN GOLD DAIRY	CARRIZOZO	NM	New Mex - W Texas	3	3
NATURE'S DAIRY, INC.	ROSWELL	NM	New Mex - W Texas	4	4
OAK FARMS DAIRIES	HOUSTON	TX	Texas	1	1
OAK FARMS DAIRIES	SAN ANTONIO	TX	Texas	1	1
OAK FARMS DAIRIES	DALLAS	TX	Texas	1	1

PLANT NAME	CITY	ST	OCTOBER 1995 FEDERAL ORDER	STATUS[1]	SOUTHWEST STATUS[1]
PLAINS CREAMERY	AMARILLO	TX	New Mex - W Texas	1	1
PRICES CREAMERY, INC.	EL PASO	TX	New Mex - W Texas	1	1
PURE MILK CO.	WACO	TX	Texas	4	4
RANCHO LAS LAGUNAS	SANTA FE	NM	New Mex - W Texas	4	4
RASBAND DAIRY	ALBUQUERQUE	NM	New Mex - W Texas	4	4
SAFEWAY STORES GROCERY	TEMPE	AZ	Central Arizona	1	1
SCHEPPS DAIRY, INC.	DALLAS	TX	Texas	1	1
SHAMROCK FOODS, INC.	PHOENIX	AZ	Central Arizona	1	1
SMITH'S FOOD & DRUG CENTERS, INC.	TOLLESON	AZ	Central Arizona	1	1
SOUTHWEST DAIRY	TYLER	TX	Texas	1	1
SUNSTREET DAIRY, INC.	PHOENIX	AZ	Central Arizona	1	1
SUPERBRAND DAIRY PRODS, INC.	FT WORTH	TX	Texas	1	1
SUPERIOR DAIRIES	AUSTIN	TX	Texas	1	1
VANDERVOORTS DAIRY	FT WORTH	TX	Texas	1	1

[1]**DISTRIBUTING PLANT STATUS:**

1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

SOUTHWEST MARKETING AREA - 241 counties

Arizona - 7 counties (All currently in F.O. 131)

Counties of Cochise, Graham, Greenlee, Maricopa, Pima, Pinal, and that part of Yuma County south of 33 degrees latitude (North from the Equator).

Colorado - 3 counties (All currently in F.O. 138)

Counties of Archuleta, LaPlata, Montezuma.

New Mexico - 33 counties (All currently in F.O. 138)

All counties.

Texas - 205 counties (162 currently in F.O. 126, 43 currently in F.O. 138)

Counties of Anderson, Andrews, Angelina, Aransas, Archer, Armstrong, Austin, Bailey, Bastrop, Baylor, Bee, Bell, Bexar, Borden, Bosque, Brazoria, Brazos, Briscoe, Brooks, Brown, Burleson, Burnet, Caldwell, Calhoun, Callahan, Cameron, Camp, Carson, Castro, Chambers, Cherokee, Childress, Clay, Cochran, Coke, Coleman, Collin, Collingsworth, Colorado, Comal, Comanche, Cooke, Coryell, Cottle, Crosby, Dallam, Dallas, Dawson, De Witt, Deaf Smith, Delta, Denton, Dickens, Donley, Duval, Eastland, Ector, El Paso, Ellis, Erath, Falls, Fannin, Fayette, Fisher, Floyd, Foard, Fort Bend, Franklin, Freestone, Gaines, Galveston, Garza, Glasscock, Goliad, Gonzales, Gray, Grayson, Gregg, Grimes, Guadalupe, Hale, Hall, Hamilton, Hansford, Hardeman, Hardin, Harris, Harrison, Hartley, Haskell, Hays, Hemphill, Henderson, Hildago, Hill, Hockley, Hood, Hopkins, Houston, Howard, Hunt, Hutchinson, Jack, Jackson, Jasper, Jefferson, Jim Wells, Johnson, Jones, Karnes, Kaufman, Kenedy, Kent, King, Kleberg, Knox, Lamar, Lamb, Lampasas, Lavaca, Lee, Leon, Liberty, Limestone, Lipscomb, Live Oak, Lubbock, Lynn, Madison, Marion, Martin, Matagorda, McLennan, Midland, Milam, Mills, Mitchell, Montague, Montgomery, Moore, Morris, Motley, Nacogdoches, Navarro, Newton, Nolan, Nueces, Ochiltree, Oldham, Orange, Palo Pinto, Panola, Parker, Parmer, Polk, Potter, Rains, Randall, Red River, Refugio, Roberts, Robertson, Rockwall, Runnels, Rusk, Sabine, San Augustine, San Jacinto, San Patricio, Scurry, Shackelford, Shelby, Sherman, Smith, Somervell, Stephens, Sterling, Stonewall, Swisher, Tarrant, Taylor, Terry, Throckmorton, Titus, Tom Green, Travis, Trinity, Tyler, Upshur, Van Zandt, Victoria, Walker, Waller, Washington, Wharton, Wheeler, Wichita, Wilbarger, Willacy, Williamson, Wilson, Wise, Wood, Yoakum, Young.

Suggested Western Marketing Area

This version of the report is text only. Click **Suggested Western Marketing Area** to view/print this graphic.

DATA FOR WESTERN MARKETING AREA

Consolidated Market: Western

Current Markets: Western Colorado, F.O. 134
Southwestern Idaho-Eastern Oregon, F.O. 135
Great Basin, F.O. 139

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2b.
Over 90 percent of the total route disposition within each of these markets comes from plants regulated by these markets. While data on route disposition of F.O. 134 plants is restricted, there are sales by F.O. 134 handlers into the F.O. 139 area. Handlers regulated under F.O.s 135 and F.O. 139 distribute sales into each other's marketing area.

2) Overlapping procurement areas, see Table 3.
The primary procurement overlap occurs in 5 Idaho counties, where a large percentage of the pool milk for both F.O. 135 and F.O. 139 is produced.

3) Natural boundaries.
For the most part these three markets are surrounded by unregulated areas. F.O. 124 shares one boundary but it has very little association with these three markets. Large portions of the surrounding area are desert or mountainous, which limits both milk production and population (for demand purposes).

4) Number of handlers within a market.
F.O. 134 is an example of a market that is too small, with only 2 regulated handlers, to stand alone. While the association with the other two markets is not as strong as between some of the markets suggested for consolidation, there is some overlap. This overlap, combined with the size of the market and the fact that the F.O. 139 area is the only Federal order area adjacent to the F.O. 134 area, indicates that consolidation with F.O. 135 and F.O. 139 is appropriate.

5) Industry proposals.
Most of the industry proposals dealing with the Western area would consolidate F.O.s 139 and 134. Several would, in addition, include F.O.s 135 and 124. Most proposals involving F.O. 135 would combine the F.O. 124 area with it. One proposal was for an Oregon-only marketing area, and another for separating the southern Nevada portion of F.O. 139 from that area and combining it with F.O. 131 (Central Arizona). A few proposals would include Western Colorado (F.O. 134) with a very large Southwest marketing area.

6) Producer affiliation.
There is one cooperative association that has members in all three markets while one other cooperative is present in two of the markets.

7) **Other common features.**
Both orders 135 and 139 include multiple component pricing plans that attribute all of the skim value of milk to protein.

8) **Products in common.**
Large percentages of milk pooled under both F.O.s 135 and 139 are used in cheese-making.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL**	**FO 134**	**FO 135**	**FO 139**
Fully Regulated Plants	14	2	4	8
Partially Regulated Plants	2			2
Exempt Plants	4			3
Producer Handlers	10			10
FULLY REGULATED DISTRIBUTING PLANT INFORMATION:				
Total Receipts at Pool Distributing Plants [1]	121,511	[2]	33,292	88,219
Total Route Disposition [1]	90,457	[2]	22,418	68,039
Route Disposition within the Marketing Area [1]	86,267	[2]	20,367	65,900
MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:				
Total Producer Milk [1,3]	304,793	8,552	84,698	211,543
Class I Utilization Percentage	31.70%	N/A	17.94%	34.83%
Weighted Average Utilization Value [4]	$12.79	$13.40	$12.63	$12.83

[1] Pounds in thousands
[2] Data included in FO 135
[3] Total milk pooled under the orders
[4] **Not a blend price** -- shown solely for the purpose of showing impact of consolidation on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION
WITHIN MARKETING AREAS

		INTO		
		F.O. 134	**F.O. 135**	**F.O. 139**
	F.O. 134	**		**
S				
O	**F.O. 135**		14,527	**
U			95.2%	
R				
C	**F.O. 139**		***	67,319
C				97.0%
	TOTAL*	6,104	15,264	69,428
		100.0%	100.0%	100.0%

* - Total can include route disposition from F.O. 131, 124 and 137 handlers.
** - Less than three plants, data included in Total.
*** - Less than three plants, data included in disposition from F.O. 135.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF
REGULATED HANDLERS

		INTO			
		F.O. 134	**F.O. 135**	**F.O. 139**	**TOTAL***
S	**F.O. 134**	**		**	R
O					
U	**F.O. 135**		**	**	14,850
R					100.0%
C					
E	**F.O. 139**		**	67,319	70,737
				95.2%	100.0%

* - Total can include route distribution into F.O. 7, 13, 30, 36, 46, 79, 124, 131 and 138 marketing areas.
** - Less than three plants, data included in Total.
R - Less than three plants in market.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 134	F.O. 135	F.O. 139
CALIFORNIA			15,796
COLORADO	*		934
IDAHO		192,445	78,522
NEVADA			**
OREGON		6,562	
UTAH			106,814
WYOMING			**
TOTAL	*	199,007	202,066

* - Less than three plants.
** - Less than three producers, data included in Utah production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

Valley Dairy Yerington, NV
Would become a fully regulated pool plant, currently is an exempt plant and is unregulated.

Gossner Foods Logan, NV
Would become a partially regulated plant under consolidation without continuation of the current F.O. 139 lock-in provision for UHT plants.

IDENTIFIED RECENT MARKET DEVELOPMENTS
(as of September 1996 pool; information not included in analysis)

Status Changes:		Effective:
Valley Dairy, Inc.	Yerington, NV	
From Unregulated to Exempt		Apr. 96

DIFFERENCES TO BE RECONCILED / ISSUES TO CONSIDER

Multiple component pricing. Both the Great Basin and Southwestern Idaho-Eastern Oregon (FOs 139 and 135) have multiple component pricing plans that attribute all of the skim value of the Class III price to protein. Milk pooled under the Western Colorado order is priced on a skim/butterfat basis.

LIST OF PLANTS AND REGULATORY STATUS

PLANT NAME	CITY	ST	FEDERAL ORDER	OCTOBER 1995 STATUS[1]	WESTERN STATUS[1]
ANDERSON DAIRY, INC.	LAS VEGAS	NV	Great Basin	1	1
BROWN'S DAIRY	COALVILLE	UT	Great Basin	4	4
CHURCH OF JESUS CHRIST OF LATTER-DAY	OGDEN	UT	Great Basin	3	3
CHURCH OF JESUS CHRIST OF LATTER-DAY	SALT LAKE CITY	UT	Great Basin	3	3
COUNTRY BOY DAIRY	OGDEN	UT	Great Basin	4	4
CREAM O'WEBER DAIRY, INC.	SALT LAKE CITY	UT	Great Basin	1	1
DALE BARKER	MOUNT PLEASANT	UT	Great Basin	4	4
DARIGOLD, INC.	BOISE	ID	SW Idaho - E Oregon	1	1
DESERET MILK PLANT	SALT LAKE CITY	UT	Great Basin	3	3
FARM FRESH	SALEM	UT	Great Basin	4	4
GOSSNER FOODS, INC.	LOGAN	UT	Great Basin	1	2
GRAFF DAIRY	GRAND JCT	CO	W Colorado	1	1
IDEAL DAIRY	RICHFIELD	UT	Great Basin	4	4
JOHNNY'S DAIRY	SOUTH WEBER	UT	Great Basin	4	4
JONES DAIRY	TAYLORSVILLE	UT	Great Basin	4	4
KDK, INC.	DRAPER	UT	Great Basin	1	1
MEADOW GOLD DAIRIES, INC.	POCATELLO	ID	Great Basin	1	1
MEADOW GOLD DAIRIES, INC.	DELTA	CO	W Colorado	1	1
MEADOW GOLD DAIRIES, INC.	BOISE	ID	SW Idaho - E Oregon	1	1
MEADOW GOLD, INC.	SALT LAKE CITY	UT	Great Basin	1	1
REEDER SHADY BROOK DAIRY	BRINGHAM CITY	UT	Great Basin	4	4
REED'S DAIRY, INC.	IDAHO FALLS	ID	Great Basin	4	4
ROSEHILL DAIRY	MORGAN	UT	Great Basin	4	4
SMITH FOOD & DRUG CENTERS INC	LAYTON	UT	Great Basin	1	1
SMITH'S DAIRY	BUHL	ID	SW Idaho - E Oregon	1	1
STOKER WHOLESALE, INC.	BURLEY	ID	SW Idaho - E Oregon	1	1
UTAH STATE UNIVERSITY	LOGAN	UT	Great Basin	3	3
VALLEY DAIRY, INC.	YERINGTON	NV	Great Basin	5	1
WESTERN QUALITY FOOD PRODUCTS	CEDAR CITY	UT	Great Basin	2	2
WINDER DAIRY	SALT LAKE CITY	UT	Great Basin	1	1

[1]**DISTRIBUTING PLANT STATUS:**

1: POOL
2: PARTIALLY REGULATED
3: EXEMPT
4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

WESTERN MARKETING AREA - 72 counties

Colorado - 4 counties (All currently in F.O. 134)
Counties of Delta, Garfield, Mesa, Montrose.

Idaho - 28 counties (18 currently in F.O. 135, *10 currently in F.O. 139*)
Counties of Ada, Adams, *Bannock*, *Bear Lake*, *Bingham*, Blaine, Boise, *Bonneville*, Camas, Canyon, *Caribou*, Cassia, Elmore, *Franklin*, Gem, Gooding, *Jefferson*, Jerome, Lincoln, *Madison*, Minidoka, *Oneida*, Owyhee, Payette, *Power*, Twin Falls, Valley, Washington.

Nevada - 4 counties (All currently in F.O. 139)
Counties of Clark, Elko, Lincoln, White Pine.

Oregon - 5 counties (All currently in F.O. 135)
Counties of Baker, Grant, Harney, Malheur, Union.

Utah - 29 counties (All currently in F.O. 139)
All counties.

Wyoming - 2 counties (All currently in F.O. 139)
Counties of Lincoln, Uinta.

Suggested Pacific Northwest Marketing Area

This version of the report is text only. Click **Suggested Pacific Northwest Marketing Area** to view/print this graphic.

DATA FOR PACIFIC NORTHWEST MARKETING AREA

Consolidated Market: Pacific Northwest

Current Markets: Pacific Northwest, F.O. 124
Plus: 2 currently unregulated counties in Washington
(Being considered for inclusion under rulemaking)
1 unregulated county in southwest Oregon

MAJOR CONSOLIDATION CRITERIA

1) Overlapping route disposition, see Tables 2A and 2B.
F.O. 124 plants provide over 99 % of the total route disposition that is within the marketing area.

From Table 2B, plants in F.O. 124 have much more route disposition into unregulated areas than they do into other Federal order areas. There is no significant overlap. October 1995 data show that 94.4% of F.O. 124 handlers' route disposition is distributed within the marketing area, with less than 1% in F.O.s 135 and 139. A significant portion of F.O. 124 out-of-area route disposition was into two unregulated Washington State counties that are being considered for inclusion in the F.O. 124 marketing area under a formal rulemaking proceeding.

2) Overlapping procurement areas, see Table 3.
Although the State of Idaho supplies milk to each of F.O.s 124, 135 and 139, the counties supplying F.O. 124 do not overlap with those from which F.O.s 135 and 139 get their supply. Both F.O.s 124 and 139 obtain milk supplies from the State of California. Here again, the counties supplying the 2 orders are not in the same area. The two unregulated Washington counties, Jefferson and Clallam, both provide producer milk to F.O. 124 plants, and to no other Federal order.

3) Natural boundaries.
Differences in milk marketing regulation between the Pacific Northwest, California and Canada limit north-south movement. Information on eastward movement is not available because of unregulated counties. The minimal interaction with F.O. 135 fails to support any consolidation in that direction.

4) Industry proposals.
All of the industry proposals made the assumption that there are significant amounts of bulk and packaged milk moving between F.O.s 124, 135 and 139, and proposed merging those marketing areas. Several also advocated including the F.O. 134 area.

5) Cooperative affiliation.
Of the 5 cooperative associations pooling milk under F.O. 124, only 1, the largest, also operates in another marketing area -- F.O. 135.

TABLE 1
MARKET INFORMATION
FOR SUGGESTED MARKET CONSOLIDATION
OCTOBER 1995

STATUS OF DISTRIBUTING PLANTS:	**TOTAL AND FO 124**
Fully Regulated Distributing Plants	23
Partially Regulated Plants	1
Producer Handlers	18

FULLY REGULATED DISTRIBUTING PLANT INFORMATION:	
Total Receipts at Pool Distributing Plants [1]	236,118
Total Route Disposition[1]	180,370
Route Disposition within the Marketing Area [1]	170,218

MARKET INFORMATION BASED ON OCTOBER 1995 POOL DATA:	
Total Producer Milk [1,2]	501,257
Class I Utilization Percentage	36.29%
Weighted Average Utilization Value [3]	$12.45

[1] Pounds in thousands
[2] Total milk pooled under the orders
[3] **Not a blend price** -- shown solely for the purpose of showing impact of consolidation on utilization

ROUTE DISPOSITION BETWEEN MARKETS
BASED ON FLUID MILK DISTRIBUTING PLANT DATA
OCTOBER 1995
POUNDS IN THOUSANDS

TABLE 2A
SOURCES OF TOTAL ROUTE DISPOSITION WITHIN MARKETING AREAS

SOURCE		INTO F.O. 124	INTO F.O. 135	INTO F.O. 139
	F.O. 124	170,564	***	**
	F.O. 135	**	14,252	**
			93.4%	
	F.O. 139	**	1,012	67,319
			6.6%	97.0%
	TOTAL*	R	15,264	69,428
			100.0%	100.0%

* - Total can include route disposition from F.O. 124, 131 and 134 handlers.
** - Less than three plants, data included in Total.
*** - Less than three plants, data included with disposition from F.O. 139.
R - Less than three plants make up the remaining disposition into F.O. 124.

TABLE 2B
ROUTE DISTRIBUTION AREAS OF REGULATED HANDLERS

SOURCE		INTO F.O. 124	INTO F.O. 135	INTO F.O. 139	INTO UNREG	INTO TOTAL*
	F.O. 124	170,564	***	752	9,399	180,716
		94.4%		0.4%	5.2%	100.0%
	F.O. 135	**	14,252	**	**	R
	F.O. 139	**	**	67,319	2,139	70,738
				95.2%	3.0%	100.0%

* - Total can include route distribution into F.O. 7, 13, 30, 36, 46, 79, 124, 126, 131 and 138 marketing areas.
** - Less than three plants, data included in Total.
*** - Less than three plants, data included with distribution into F.O. 139 marketing area.
R - Less than three plants make up the remaining distribution from F.O. 135.

TABLE 3
PRODUCER MILK BY STATE BY MARKET
DECEMBER 1995
POUNDS IN THOUSANDS

	F.O. 124	F.O. 135	F.O. 139
CALIFORNIA	5,052		15,796
COLORADO			934
IDAHO	2,251	192,445	78,522
NEVADA			*
OREGON	86,779	6,562	
UTAH			106,814
WASHINGTON	398,161		
WYOMING			*
TOTAL	492,244	199,007	202,066

* - Less than three producers, data included in Utah production.

REGULATORY CHANGES AS A RESULT OF CONSOLIDATION

No changes.

IDENTIFIED RECENT MARKET DEVELOPMENTS

(as of September1996 pool; information not included in analysis)

Status Changes:		Effective:
Evergreen Dairy, Inc.	Olympia, WA	
From Producer Handler to Producer		May 96

Out of Business:		
Billanjo Dairy	Eagle Point, OR	Aug. 96
Cal-Wash Investments, Inc.	College Place, OR	Mar. 96

LIST OF PLANTS AND REGULATORY STATUS

PLANT NAME	CITY	ST	FEDERAL	OCTOBER 1995 STATUS[1]	PACIFIC NORTHWEST STATUS[1]
ALLISON HARDY	ELMA	WA	Pacific Northwest	4	4
ALPENROSE DAIRY	PORTLAND	OR	Pacific Northwest	1	1
ANDERSEN DAIRY, INC.	BATTLE GROUND	WA	Pacific Northwest	1	1
BILLANJO DAIRY	EAGLE POINT	OR	Pacific Northwest	4	4
CAL-WASH INVESTMENTS, INC.	COLLEGE PLACE	WA	Pacific Northwest	1	1
CURLY'S DAIRY, INC.	SALEM	OR	Pacific Northwest	1	1
DARIGOLD, INC.	MEDFORD	OR	Pacific Northwest	1	1
DARIGOLD, INC.	SPOKANE	WA	Pacific Northwest	1	1
DARIGOLD, INC.	PORTLAND	OR	Pacific Northwest	1	1
DARIGOLD, INC.	SEATTLE	WA	Pacific Northwest	1	1
DEPT. OF CORRECTIONS - STATE OF OREGON	SALEM	OR	Pacific Northwest	1	1
EBERHARD CREAMERY, INC.	REDMOND	OR	Pacific Northwest	1	1
ECHO SPRING DAIRY, INC.	EUGENE	OR	Pacific Northwest	1	1
EDWARD & AILEEN BRANDSMA	LYNDEN	WA	Pacific Northwest	4	4
EVERGREEN DAIRY, INC. (WEIKS)	OLYMPIA	WA	Pacific Northwest	4	4
FAITH DAIRY, INC.	TACOMA	WA	Pacific Northwest	4	4
FOREMAN'S DAIRY	GRANTS PASS	OR	Pacific Northwest	4	4
FRED MEYER, INC.	PORTLAND	OR	Pacific Northwest	1	1
GARY & MARGO WINEGAR	ELLENSBURG	WA	Pacific Northwest	1	1
GERALD GILBERT, ET AL.	OTHELLO	WA	Pacific Northwest	4	4
GRAAFSTRA DAIRY, INC.	ARLINGTON	WA	Pacific Northwest	4	4
INLAND NORTHWEST DAIRIES, INC.	SPOKANE	WA	Pacific Northwest	1	1
LOCHMEAD FARMS, INC.	JUNCTION CITY	OR	Pacific Northwest	4	4
MALLORIE'S DAIRY, INC.	SILVERTON	OR	Pacific Northwest	4	4
MIKE HARVEY	VANCOUVER	WA	Pacific Northwest	4	4
PACIFIC FOODS OF OREGON, INC.	CLACKAMAS	OR	Pacific Northwest	1	1
PALMER ZOTTOLA	GRANTS PASS	OR	Pacific Northwest	1	1
RICHARD AND LINDA KLINE	CHEWELAH	WA	Pacific Northwest	4	4
ROY KROPF	HALSEY	OR	Pacific Northwest	4	4
SAFEWAY '85, INC.	MOSES LAKE	WA	Pacific Northwest	1	1
SAFEWAY STORES, INC.	CLACKAMAS	OR	Pacific Northwest	1	1
SAFEWAY STORES, INC.	BELLEVUE	WA	Pacific Northwest	1	1
SMITH BROTHERS FARMS, INC.	KENT	WA	Pacific Northwest	4	4
STATE OF WASHINGTON	MONROE	WA	Pacific Northwest	4	4
SUNSHINE DAIRY, INC.	PORTLAND	OR	Pacific Northwest	1	1

LIST OF PLANTS AND REGULATORY STATUS

PLANT NAME	CITY	ST	FEDERAL	OCTOBER 1995 STATUS[1]	PACIFIC NORTHWEST STATUS[1]
TILLAMOOK COUNTY CREAMERY ASSN.	TILLAMOOK	OR	Pacific Northwest	1	1
UMPQUA DAIRY PRODUCTS CO.	ROSEBURG	OR	Pacific Northwest	1	1
VITAMILK DAIRY, INC.	SEATTLE	WA	Pacific Northwest	1	1
WALTER DE JONG	MONROE	WA	Pacific Northwest	4	4
WAYNE STRATTON	PULLMAN	WA	Pacific Northwest	4	4
WILCOX FARMS, INC.	ROY	WA	Pacific Northwest	1	1
WILLIAM VENN	NORTH BLEND	WA	Pacific Northwest	4	4

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4: PRODUCER-HANDLER
5: UNREGULATED
6: GOVERNMENT AGENCY

PACIFIC NORTHWEST MARKETING AREA - 75 counties

Idaho - 6 counties (All currently F.O. 124)

Counties of Benewah, Bonner, Boundary, Kootenai, Latah, Shoshone.

Oregon - 30 counties (29 currently in F.O. 124, *1 currently unregulated county*)

Counties of Benton, Clackamas, Clatsop, Columbia, Coos, Crook, *Curry*, Deschutes, Douglas, Gilliam, Hood River, Jackson, Jefferson, Josephine, Klamath, Lake, Lane, Lincoln, Linn, Marion, Morrow, Multnomah, Polk, Sherman, Tillamook, Umatilla, Wasco, Washington, Wheeler, Yamhill.

Washington - 39 counties (37 currently in F.O. 124, 2 currently unregulated: Clallam, Jefferson)

All counties.